Calendar No. 2599

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2559

AMENDING THE DISTRICT OF COLUMBIA UNEMPLOYMENT COMPENSATION ACT SO AS TO EXTEND THE COVERAGE OF SUCH ACT TO EMPLOYEES OF THE MUNICIPAL GOVERNMENT OF THE DISTRICT OF COLUMBIA EMPLOYED IN DISTRICT OF COLUMBIA INSTITUTIONS LOCATED IN MARYLAND AND VIRGINIA

JULY 13, 1956.—Ordered to be printed

Mr. MCNAMARA, from the Committee on the District of Columbia, submitted the following

REPORT

[To accompany H. R. 10670]

The Committee on the District of Columbia, to whom was referred the bill (H. R. 10670) to amend the District of Columbia Unemployment Compensation Act so as to extend the coverage of such act to employees of the municipal government of the District of Columbia employed in District of Columbia institutions located in Maryland and Virginia, after full consideration, report favorably thereon without amendment and recommend that the bill do pass.

The purpose of this bill is to amend the District of Columbia Unemployment Compensation Act so as to extend the coverage of such act to employees of the municipal government of the District of Columbia employed in District of Columbia institutions located in Maryland and Virginia. At the present time, the District government has approximately 1,595 employees in District institutions located in Maryland and Virginia, and, because their employment is "localized" within those States, they cannot be covered by the District of Columbia Unemployment Compensation Act, nor is their employment subject to the respective unemployment compensation acts of Maryland and Virginia. The laws of those States treat the District of Columbia as a sovereignty not subject to tax, although both States do contain provisions in their laws which would permit the District to elect voluntarily to have its employees located in those States covered by the State unemployment compensation law. Any such election, however, would be to the disadvantage of the District of Columbia, inasmuch as the District would be required to file the numerous reports required of private employers and to pay the unemployment taxes levied by such States.

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The more acceptable alternative to this problem is to amend existing law so as to provide that employees of the municipal government of the District of Columbia whose employment is localized outside the District, may nevertheless be covered by the District Unemployment Compensation Act, if the District government so elects.

The Board of Commissioners recommend the enactment of this bill.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law in the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

(49 Stat. 946; 57 Stat. 105; 68 Stat. 988, sec. 1 (b) (8))

That the District of Columbia Unemployment Compensation Act, approved August 28, 1935, as amended, is further amended to read as follows:

DEFINITIONS

SECTION 1. As used in this Act, unless the context indicates otherwise—

(a) The term "employer" means every individual and type of organization for whom services are performed in employment;

(b) (1) "Employment" means any service performed prior to the effective date of this Act which was employment as defined in this Act prior to such date, and subject to the other provisions of this subsection, service performed on and after the effective date of this Act, including service in interstate commerce, performed for wages or under any contract of hire, written or oral, express or implied;

(2) The term "employment" shall include an individual's entire service, performed within or both within and without the District if—

(A) the service is localized in the District; or

(B) the service is not localized in any State but some of the service is performed in the District and (i) the individual's base of operations, or, if there is no base of operations, then the place from which such service is directed or controlled, is in the District; or (ii) the individual's base of operations or place from which such service is directed or controlled is not in any State in which some part of the service is performed but the individual's residence is in the District. Service shall be deemed to be localized within a State if—

(i) the service is performed entirely within such State; or

(ii) the service is performed both within and without such State, but the service performed without such State is incidental to the individual's service within the State, for example, is temporary or transitory in nature or consists of isolated transactions.

(3) Services covered by an arrangement pursuant to section 16 of this Act between the Board and the agency charged with the administration of any other State or Federal unemployment compensation law, pursuant to which all services performed by an individual for

an employer are deemed to be performed entirely within the District, shall be deemed to be employment if the Board has approved an election of the employer for whom such services are performed, pursuant to which the entire service of such individual during the period covered by such election is deemed to be employment for an employer.

(4) Notwithstanding any other provisions of this subsection, the term "employment" shall also include all service performed after the effective date of this amendment by an officer or member of the crew of an American vessel on or in connection with such vessel, provided that the operating office, from which the operations of such vessel operating on navigable waters within or within and without the United States are ordinarily and regularly supervised, managed, directed, and controlled, is within the District.

(5) The term "employment" shall not include—

(A) domestic service in a private home, local college club, or local chapter of a college fraternity or sorority;

(B) casual labor not in the course of the employer's trade or business;

(C) service performed by an individual in the employ of his son, daughter, or spouse, and service performed by a child under the age of twenty-one in the employ of his father or mother;

(D) service performed in the employ of the United States Government or of an instrumentality of the United States which is (a) wholly owned by the United States, or (b) exempt from the tax imposed by section 1600 of the Internal Revenue Code of the United States or by virtue of any other provision of law: *Provided*, That, in the event that the Congress of the United States, on or before the date of the enactment of the Act, has permitted or in the event that the Congress of the United States shall permit States to require any instrumentalities of the United States to make contributions to an unemployment fund under a State unemployment compensation law, then, to the extent so permitted by Congress, and from and after the date as of which such permission becomes effective, or January 1, 1940, whichever is the later, all of the provisions of this Act shall be applicable to such instrumentalities in the same manner, to the same extent, and on the same terms as to all other employees, individuals, and services: *Provided further*, That if the District of Columbia should not be certified by the Social Security Board under section 1603 of the Internal Revenue Code for any year, the payments required of any instrumentality of the United States or its employees with respect to such year shall be refunded by the District Unemployment Compensation Board in accordance with the provisions of section 4 (i) of this Act: *Provided, however*, That any employer required to make retroactive payment of any contributions shall be given thirty days from October 17, 1940, within which to make such retroactive payments without incurring any penalty for the late payment of such contributions and all interest charges shall commence one month from October 17, 1940;

(E) service performed in the employ of the District, or of any other State, or of any political subdivision thereof, or any instrumentality of any one or more of the foregoing which is wholly owned by the District or by one or more States or political subdivisions; and any service performed in the employ of any

instrumentality of the District or of one or more States or political subdivisions to the extent that the instrumentality is, with respect to such service, exempt under the Constitution of the United States from the tax imposed by section 1600 of the Federal Internal Revenue Code;

(F) service performed in the employ of a Senator, Representative, Delegate, or Resident Commissioner, insofar as such service directly assists him in carrying out his legislative duties;

(G) service performed in the employ of a corporation, community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual;

(H) service with respect to which unemployment compensation is payable under any other unemployment compensation system established by an Act of Congress;

(I) (1) service performed in any calendar quarter in the employ of any organization exempt from income tax under section 101 of the Internal Revenue Code of the United States, if—

(a) the remuneration for such service does not exceed $45; or

(b) such service is in connection with the collection of dues or premiums for a fraternal beneficiary society, order, or association, and is performed away from the home office, or is ritualistic service in connection with any such society, order, or association; or

(c) such service is performed by a student who is enrolled and is regularly attending classes at a school, college, or university;

(2) service performed in the employ of an agricultural or horticultural organization exempt from income tax under section 101 (1) of the Internal Revenue Code of the United States;

(3) service performed in the employ of a voluntary employees' beneficiary association providing for the payment of life, sick, accident, or other benefits to the members of such association or their dependents, if (i) no part of its net earnings inures (other than through such payments) to the benefit of any private shareholder or individual, and (ii) 85 per centum or more of the income consists of amounts collected from members for the sole purpose of making such payments and meeting expenses;

(4) service performed in the employ of a voluntary employees' beneficiary association providing for the payment of life, sick, accident, or other benefits to the members of such association or their dependents or their designated beneficiaries, if (i) admission to membership in such association is limited to individuals who are officers or employees of the United States Government, and (ii) no part of the net earnings of such association inures (other than through such payments) to the benefit of any private shareholder or individual;

(5) service performed in any calendar quarter in the employ of a school, college, or university, not exempt from income tax under section 101 of the Internal Revenue Code of the United States, if such service is performed by a student who is enrolled

and is regularly attending classes at such school, college, or university, and the remuneration for such service does not exceed $45 (exclusive of room, board, and tuition);

(J) service performed in the employ of a foreign government (including service as a consular or other officer or employee or a nondiplomatic representative);

(K) service performed in the employ of an instrumentality wholly owned by a foreign government—

(1) if the service is of a character similar to that performed in foreign countries by employees of the United States Government or of an instrumentality thereof; and

(2) if the Secretary of State shall certify to the Secretary of the Treasury that the foreign government, with respect to whose instrumentality exemption is claimed, grants an equivalent exemption with respect to similar service performed in the foreign country by employees of the United States Government and of instrumentalities thereof;

(L) service performed as a student nurse in the employ of a hospital or nurses' training school by an individual who is enrolled and is regularly attending classes in a nurses' training school chartered or approved pursuant to State law; and service performed as an intern in the employ of a hospital by an individual who has completed a four years' course in a medical school chartered or approved pursuant to State law;

(M) service performed by an individual for a person as an insurance agent or as an insurance solicitor, if all such service performed by such individual for such person is performed for remuneration solely by way of commission;

(N) service performed by an individual under the age of eighteen in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution;

(O) service covered by an arrangement between the Board and the agency charged with the administration of any other State or Federal unemployment compensation law pursuant to which all services performed by an individual for an employer during the period covered by such employer's duly approved election are deemed to be performed entirely within such agency's State;

(P) service performed by an individual for a person as a real-estate salesman, real-estate solicitor, or real-estate agent, if all of such service performed by such individual for such person is performed for remuneration solely by way of commission.

(Q) service performed on or in connection with a vessel not an American vessel by an individual if he performed service on and in connection with such vessel when outside the United States;

(R) service performed by an individual in (or as an officer or member of the crew of a vessel while it is engaged in) the catching, taking, harvesting, cultivating, or farming of any kind of fish, shellfish, crustacea, sponges, seaweeds, or other aquatic forms of animal and vegetable life (including service performed by any such individual as an ordinary incident to any such activity), except (A) service performed in connection with the catching or taking of salmon or halibut, for commercial purposes,

and (B) service performed on or in connection with a vessel of more than ten net tons (determined in the manner provided for determining the register tonnage of merchant vessels under the laws of the United States).

(6) INCLUDED AND EXCLUDED SERVICE.—If the services performed during one-half or more of any pay period by an individual in employment for the person employing him constitute employment, all the services of such individual in employment for such period shall be deemed to be employment; but if the services performed during more than one-half of any such pay period by an individual in employment for the person employing him do not constitute employment, then none of the services of such individual in employment for such period shall be deemed to be employment. As used in this subsection the term "pay period" means a period (of not more than thirty-one consecutive days) for which a payment of remuneration is ordinarily made to the individual in employment by the person employing him. This subsection shall not be applicable with respect to services performed in a pay period by an individual in employment for the person employing him, where any of such service is excepted by paragraph 5 (H) of subsection (b).

(7) Notwithstanding any of the provisions of subsection 1 (b) (5) of this Act, services shall be deemed to be in employment if, with respect to such services, a tax is required to be paid under any Federal law imposing a tax against which credit may be taken for contributions required to be paid into a State unemployment compensation fund.

(8) (i) Any service performed for an employing unit, which is excluded under the definition of employment in section 1 (b) (5) and with respect to which no payments are required under the employment security law of another State or of the Federal Government may be deemed to constitute employment for all purposes of this Act: *Provided*, That the Board has approved a written election to that effect filed by the employing unit for which the service is performed, as of the date stated in such approval. No election shall be approved by the Board unless it (A) includes all the service of the type specified in each establishment or place of business for which the election is made, and (B) is made for not less than two calendar years.

(ii) Any service which, because of an election by an employing unit under section 1 (b) (8) (i), is employment subject to this Act shall cease to be employment subject to the Act as of January 1 of any calendar year subsequent to the two calendar years of the election, only if not later than March 15 of such year, either such employing unit has filed with the Board a written notice to that effect, or the Board on its own motion has given notice of termination of such coverage.

(iii) Notwithstanding the provisions of subsection 1 (b) (2) of this Act, service performed in the employ of the municipal government of the District of Columbia but not localized within the District may, if said government elects, be covered employment.

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Calendar No. 2600

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2560

CUSTOMS SIMPLIFICATION ACT OF 1956

JULY 13, 1956.—Ordered to be printed

Mr. BYRD, from the Committee on Finance, submitted the following

REPORT

together with

MINORITY VIEWS

(To accompany H. R. 6040)

The Committee on Finance to whom was referred the bill (H. R. 6040) to amend certain administrative provisions of the Tariff Act of 1930 and to repeal obsolete provisions of the customs laws, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

AMENDMENTS

The amendments are as follows:

1. Section 6 is a new section adopted by this committee which prevents the application of section 2, the valuation procedures, to those articles which the Secretary finds would be reduced in value by 5 percent or more under section 2. (The 5 percent, as used in the bill and in this report, refers to the possible differences in dutiable value of imported goods and not to differences in the amount of tariff duties.) The Secretary of the Treasury would prepare a preliminary list of such articles based on the sample survey made by the Treasury Department of imports made during the fiscal year 1954. Domestic interests would have 30 days after publication of this preliminary list to suggest the reasons for their belief that other articles would be reduced in value by 5 percent or more under the new valuation procedures. After investigation of these representations any of these articles which the Secretary determined would be so reduced in value would be added to the list and a final list of articles would then be published. Thirty days after publication of this final list all imports not listed would be valued under the procedures contained in section 2 of H. R. 6040.

All articles on the list would continue to be valued under the valuation procedures in effect before the enactment of H. R. 6040.

The Secretary of the Treasury would prepare a second preliminary list based upon a year's experience under H. R. 6040. This list would delete any articles which the Secretary found would no longer be reduced by 5 percent or more if valued under the provisions of H. R. 6040 and would add any articles which it was found would then make a 5 percent lower valuation under the H. R. 6040 provisions than they would if the former provisions of the law were applicable. Opportunity for comment would again be afforded domestic interests and these comments would be investigated, additions made to the preliminary lists, and a final list published. Thirty days after publication of this second final list any importation not on this list would be valued under the provisions of H. R. 6040 whether or not it had appeared on the first list. Every importation listed on the second list would be valued under the valuation provisions in effect before the enactment of H. R. 6040 whether or not the imported article was so valued under the first final list.

After a year's experience under the second list, a third list would be prepared and put into operation in the same manner. After a year's experience under the third list, a fourth list would be prepared and put into operation. All articles listed on the fourth list would continue to be valued under the valuation standards in existence before adoption of H. R. 6040 unless the Congress made other provision.

Each final list together with all explanatory data would be sent to the chairmen of the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

2. The House amendment contained in section 5 required the Secretary of the Treasury's report on antidumping enforcement and legislation to be submitted to the Congress within 1 year after the effective date of this act. The committee amendment provides that this report should be submitted within 6 months after the date of enactment of this act.

PURPOSE

The purpose of the bill is to revise methods of valuing, for duty purposes, foreign goods being imported into the United States; to simplify procedures in the conversion of currencies for valuation purposes; and to repeal certain obsolete provisions of the customs laws. The Customs Simplification Acts of 1953 and 1954 have brought about substantial improvement in the administration of customs laws, but neither, as finally enacted, included the proposals included in H. R. 6040. The adoption of this bill would further simplify the provisions of the customs laws.

GENERAL STATEMENT

A private research firm, in making a study of customs operations, pursuant to an authorization of the Congress, recommended that the present method of valuing foreign goods for duty purposes tbe simplified. Specifically, it was recommended that foreign value be abolished as one of the bases for assessment of duties. Such a provision was included in a customs simplification bill considered in 1953, near the end of the session of Congress. Because of the lack of time for hearings and the controversial nature of tl e proposal it was

deleted by the Finance Committee and was not in the bill as finally signed into law.

Under existing law foreign value or export value, whichever is higher, is the primary basis of valuation. Section 2 of H. R. 6040 would revise this standard for valuation of imports by the elimination of foreign value, thereby making export value the single basis wherever it can be ascertained. The present law provides for other methods of valuation when export value or foreign value cannot be used. Section 2 continues the use of these other methods of value if export value cannot be determined.

The definition of the terms used in the various methods of valuation are changed and clarified in the bill to permit the Customs Bureau to take into account normal commercial practices relating to commodities in international trade. These and other changes are designed to make alternative bases of valuation, namely United States value and constructed value, more closely approximate an export value if one had existed. This is intended to remove present incentives to create artificial conditions in international trade in order to obtain the benefit of more favorable valuation standards.

The Treasury Department has stated that the above changes would reduce the number of difficult, expensive and time-consuming investigations in foreign countries to ascertain foreign value. This saving, plus the increased certainty in valuation determinations resulting from the redefinition of terms will assure more prompt determination of duty liability and further reduce the existing backlog of customs work.

Hearings were held by the Finance Committee late in the 1955 session on the bill H. R. 6040 as passed by the House and further hearings were held in 1956 on the amendments suggested by the Treasury Department. Opponents of the bill expressed concern over two principal points: (1) that the abolishment of foreign value would result in lower dutiable values on items dutiable on an ad valorem (percentage of the value) basis and thereby would reduce the amount of protection on similar items made in the United States, and (2) that the changes would result in a weakening of the enforcement of the antidumping law.

Concern about the possible loss of tariff protection resulting from a change in valuation procedures resulted in the Treasury Department conducting an extensive survey of the possibilities of such loss occurring. Studies were made at representative ports on all borders of the United States during the fiscal year 1954 to determine what the effect would have been if the provisions of H. R. 6040 had been in effect at that time. The survey confirmed that there would have been some reduction in valuation of ad valorem imports. The reduction was higher on some items than on others, but over all it averaged about 2½ percent. The average reduction in duties collected was 2 percent and the average reduction in after-duty cost amounted to about one half of 1 percent.

In order to prevent any sudden material change in valuation as a result of the enactment of the bill, the committee adopted amendments providing for the publication of a list of articles which would be reduced by 5 percent or more in value, and preserving the present system of using the higher of the 2 values (foreign or export value) on all the items so listed. The list so prepared would be tentative

until domestic interests had ample opportunity to suggest that additional items should be added. After an investigation of these new suggested items a final list would be prepared and published in the Federal Register. All items on the list then would continue to be valued on the basis of the present law. After a period of about 1 year, a new list would be prepared deleting any articles then found to be reduced by less than 5 percent and adding any articles which would be reduced by 5 percent or more. Similarly, third and fourth lists would be prepared after a year's experience with each preceding list. The Treasury Department estimates that the provisions of section 2 of H. R. 6040 would be used in about 90 percent of the cases at the time of the issuance of the first list and that the percentage would increase with each succeeding list. In other words, the Department's research indicates that less than 10 percent of the ad valorem items would be on the list as showing an important value reduction of 5 percent or more.

Each list, as it was made final, would be sent to the chairmen of the Ways and Means Committee of the House and the Committee on Finance of the Senate, respectively, and Congress would be kept fully informed as to current developments under the new procedure. As a result of the limitation of any reduction in value to less than 5 percent, and because some imports will increase in value and many more will not change at all, the Treasury estimates that the average reduction in value will be only a fraction of 1 percent. It would appear, therefore, that the margin of protection lost by domestic producers would be very small, especially during the life of the lists.

An amendment adopted by the committee would provide that the articles on the fourth and final list would continue to be appraised under the valuation procedures in effect before the enactment of H. R. 6040 unless and until the Congress provided otherwise.

With regard to the question of dumping and the fear that it might increase under the changes proposed by H. R. 6040, Treasury representatives advised the committee that there would likely be more effective enforcement of the antidumping law under the bill as reported than at the present time. The elimination of foreign value investigations would result in the increased availability of personnel in foreign countries to investigate dumping cases.

The Secretary of the Treasury has indicated that foreign value information would continue to be required on customs invoices made out by exporters. The Treasury would thereby continue to have available the information needed to initiate full-scale investigations whenever dumping was indicated.

The bill as passed by the House and reported by the Finance Committee contains a provision requiring a report by the Secretary of the Treasury, after consultation with the Tariff Commission, on the operation and effectiveness of the Antidumping Act, together with any recommendations for improvements in speed, efficiency and certainty in the enforcement of the act. The Finance Committee amended that section and provided that such a report shall be made within 6 months after the enactment of the act rather than within a year after the effective date as provided for in the House bill.

Section 3 of the bill would make a time-saving change in section 522 (c) of the Tariff Act of 1930 which specifies the procedure for the conversion of currencies for customs valuation purposes. At the

present time each collector of customs must use the daily rate of exchange for each foreign currency involved in customs transactions. The amendment would give the Secretary of the Treasury authority to continue use of the same rate of exchange for each currency for a 3-month period so long as the rate on any particular day does not vary from it by 5 percent or more.

Section 4 would repeal a number of outdated provisions of the customs laws which do not affect any present obligations, duties, or operations of the Bureau of Customs. Their repeal will serve to remove a large amount of useless and confusing material from the statutes governing operations of the Bureau of Customs. For example, sections 54 and 57 of title 19 of the United States Code relate to the procurement of forms and stationery. These functions are now all performed under statutory authority granted to the General Services Administration and the tariff sections are obsolete. Section 542 of title 19 is another section being repealed because its authority for use of the motorboat at Corpus Christi is useless since there has been no such motorboat for many years.

A full analysis of each of the obsolete provisions repealed by this section follows.

Sections 12, 13, 14, and 15, of title 19, United States Code (pars. (1), (2), (3), and (4) of sec. 4 (a) of the bill), provide for appointment by the Secretary of the Treasury of a limited number of special agents for the purposes of checking the accounts of collectors and other customs officers for the prevention and detection of frauds upon the revenue, and, for the better guarding against frauds upon the revenue, authorize appointment of special agents to reside in foreign territory. The title "special agent" is no longer used in the Customs Service (see U. S. C. 1952 edition, title 5, sec. 281b (c)). The customs agents who perform the functions formerly exercised by the "special agents" now are appointed and serve under the operation of the Classification Act like other customs employees.

Sections 16, 17, and 18 of title 19, United States Code (pars. (5), (6), and (7) of sec. 4 (a) of the bill), are survivals of a statute enacted July 27, 1866 (c. 284, secs. 4, 5, and 8, 14 Stat. 303), to reorganize the office of the customs appraiser at New York. Section 16, prescribing qualifications and a special oath for examiners at New York only, is superfluous since placement standards for the position are fixed in accordance with the Classification Act by the Civil Service Commission, and the oath requirement is met by the provisions of section 1757, Revised Statutes (U. S. C. 1952 edition, title 5, sec. 16), applicable to all Federal officers. Section 17, prohibits only the employees in the office of the appraiser at New York from engaging or being employed in any commercial activity. Its repeal would leave such employees subject to the same restrictions on outside employment as other like employees. Section 18, relating to the duties applicable to the appraiser and assistant appraiser at New York, was originally enacted as a saving clause when a special statute was enacted to reorganize the office of the customs appraiser at New York (act of July 27, 1866, discussed above) but it now serves no useful purpose since all duties of appraisers are prescribed by section 500, Tariff Act of 1930 (U. S. C. 1952 edition, title 19, sec. 1500).

Sections 21, 22, 23, 24, 26, and 27 (pars. (8), (9), (10), (11), (12), and (13) of sec. 4 (a) of the bill) of title 19, United States Code,

prescribe special oaths of office for the officers enumerated therein and designate persons who may administer such oaths. These provisions are unnecessary, since a form of oath for all Government officers is prescribed by section 1757 of the Revised Statutes (discussed above).

The number of copies of oaths of office to be required and their disposition can readily be prescribed by regulation, and since an employee may not receive his salary until the oath of office is taken, there seems to be no purpose in prescribing a penalty for failure to take the oath. As to the designation of persons to administer the oaths, sections 16a of title 5, United States Code, gives authority, to persons designated in writing by the head of an executive department, to administer the oath of office.

In addition, section 26 of title 19 is obsolete (as is also sec. 379 of such title discussed below for similar reasons) in that it relates to special examiners of drugs, medicines, and chemicals, officers who are no longer appointed. The Food and Drug Administration now performs the functions formerly exercised by the special examiner of drugs, medicines, and chemicals (see U. S. C. 1952 edition, title 21, sec. 381).

Section 28 of title 19, United States Code (par. (14) of sec. 4 (a) of the bill), providing that the headquarters of the customs district in Florida shall be at Tampa, is unnecessary and serves no practical purpose. It is the only statutory provision expressly designating the situs of the headquarters of a customs district and there are 45 such districts. Section 1 of the act of August 1, 1914, as amended (U. S. C. 1952 edition, title 19, sec. 2), vests authority in the President to change from time to time the location of the headquarters customs collection district. By Executive Order 10289 of September 17, 1951, the President designated and empowered the Secretary of the Treasury to perform this function.

Section 40 of title 19, United States Code (par. (15) of sec. 4 (a) of the bill), prescribes the duties of the surveyor of customs. The title of surveyor of customs has been discontinued, except at the port of New York, and the duties there performed are those which are usually handled at any seaport by the officer in charge of the activities performed by the collector outside of the customhouse. The act of July 5, 1932 (U. S. C., 1952 edition, title 19, sec. 5a) abolished the offices of surveyor of customs at all other ports and their duties were transferred to career employees under the collector. Many of the functions prescribed by section 40 for the surveyor at New York have been obsolete for years and are no longer performed by that officer.

Section 53 of title 19, United States Code (par. (16) of sec. 4 (a) of the bill), which provides for the apportionment of compensation according to the time served, is believed to be obsolete in view of the act of June 30, 1945 (U. S. C., 1952 edition, title 5, sec. 944), which established the basic workweek, pay periods, and pay computation methods for all full-time officers and employees in the executive branch of the Government.

Sections 54 and 57 of title 19 (pars. (17) and (20) of sec. 4 (a) of the bill) which relate to the furnishing of blank forms, books, stationery, blank manifests for sale, etc., are obsolete. Section 54 is superseded by provisions of the act of June 30, 1949 (U. S. C., 1952 edition, title 40, sec. 481), with respect to procurement of supplies by the General Services Administration. Section 57 is obsolete because in lieu of payment of compensation out of commissions and fees, collectors of

customs are now on a fixed salary basis under the plan of reorganization of the Customs Service authorized by the act of August 24, 1912 (37 Stat. 434).

Section 55 of title 19 (par. (18) of sec. 4 (a) of the bill) provides that collectors of customs, and comptrollers and surveyors performing the functions of collectors, shall render quarterly accounts to the Secretary of the Treasury of fines collected, moneys received as rents, etc. These functions are presently being performed under authority of other statutes and this section is unnecessary.

Section 56 of title 19 (par. (19) of sec. 4 (a) of the bill) which relates to additional hours of service at public stores in New York, was made obsolete by the Federal Employees Pay Act of 1945, as amended (U. S. C., 1952 edition, title 5, secs. 901–954), which provides for the establishment of a basic administrative workweek and for overtime compensation at prescribed rates.

Section 59 of title 19 (par. (21) of sec. 4 (a) of the bill) prescribes requirements, related to those in section 57 (discussed above) which date back to the time when the compensation of customs officers was primarily the proceeds of the specific fees fixed by law. Many of the functions for which fees were fixed are no longer performed. While it is believed that a table of the rates of fees demandable by law should be posted in a conspicuous place in each customhouse, convenient for public inspection, and a receipt should be given for all fees paid, this is rather a matter for handling under existing regulatory authority without statutory prescription of impracticable and inflexible requirements.

Section 61 of title 19 (par. (22) of sec. 4 (a) of the bill) is inoperative and obsolete. Revised Statutes 2580, from which it was derived, authorized the Secretary of the Treasury to appoint inspectors at San Antonio, Eagle Pass, and other places in Texas, at an annual salary of $2,500 to report to the Secretary of the Treasury semiannually on goods exported to Mexico. Regular customs offices are now established at necessary ports, stations, and places along the Texas-Mexican border whose officers inspect and supervise imports, as well as exports, to the extent required.

Section 62 of title 19 (par. (23) of sec. 4 (a) of the bill) which was intended as a means of maintaining discipline among customs officers, authorizes suspension from duty for neglect or minor delinquency. The procedures which have been and will be followed in regard to the conduct of customs officers and employees are those prescribed in section 863, title 5, United States Code, and the regulations of the Civil Service Commission.

Section 67 of title 19 (par. (24) of sec. 4 (a) of the bill), which provides for a report to each session of the Congress by the Secretary on customhouse business, is inoperative and unnecessary. The Secretary submits an annual report to the Congress in accordance with sections 262, 264, and 265, title 5, United States Code, substantially superseding the requirements of this more limited provision of the customs laws.

Section 379 of title 19 (par. (25) of sec. 4 (a) of the bill), provides a method for preventing importation of adulterated drugs, etc. (see sec. 26 of such title, discussed above) at ports where there is no special examiner of drugs. As indicated in commenting on section 26 supra, special examiners of drugs are no longer appointed and the provisions

of this section are inoperative, functions with relation to spurious or adulterated foods, drugs, or cosmetics now being handled by the Food and Drug Administration of the Department of Health, Education, and Welfare under United States Code 1952 edition, title 21, section 321, et seq.

Section 390 of title 19 (par. (26) of sec. 4 (a) of the bill), which provides for the adoption of a hydrometer for use in ascertaining the proof of liquors, is unnecessary. The hydrometer in use by Customs is the same as that which is approved for use of the Internal Revenue Service under section 5212 (a) of the Internal Revenue Code of 1954. The standards for spirits are the same as those applicable to spirits of domestic manufacture under paragraph 811 of the Tariff Act of 1930, as amended (U. S. C., 1952 ed., title 19, sec. 1001, par. 811).

Section 494 of title 19 (par. (27) of sec. 4 (a) of the bill), which provides for the seizure of merchandise as security for fines imposed under the provisions of section 12 of the act of June 22, 1874 (18 Stat. 188), an ancestor provision of section 591 of the Tariff Act of 1930 (U. S. C., 1952 edition, title 19, sec. 1591), and has now been superseded in turn by section 542 of title 18 of the code. The 1874 provisions relating to unlawful importation have been repealed and this particular provision thereof is no longer operative.

Section 526 of title 19 (par. (28) of sec. 4 (a) of the bill) provides that the cost of prosecution in cases where seizure, condemnation and sale of merchandise takes place within the United States and the value is less than $250, shall be paid from the part of the forfeiture which accrues to the United States. This section is obsolete since the subject matter is now covered by section 613 (1) of the Tariff Act of 1930 (U. S. C., 1952 edition, title 19, sec. 1613 (1)).

Section 541 of title 19 (par. (29) of sec. 4 (a) of the bill) authorizes the collector of each customs district to provide and use small open rowboats and sailboats, which shall be necessary in boarding vessels and for other purposes. Coast Guard crafts are used by customs officials for boarding purposes and section 541 is therefore obsolete.

Section 542 of title 19 (par. (30) of sec. 4 (a) of the bill) authorizes the Secretary of the Treasury to use elsewhere as the exigencies of the Service require, the motorboat provided for Corpus Christi, Tex. No motorboat is now provided or needed for Corpus Christi and there has been none for many years. The provision is obsolete.

Section 549 of title 31 of the code (par. 31) of sec. 4 (a) of the bill) directs the comptrollers of customs and surveyors, registers of land offices, and the superintendents of mints to examine the books and accounts of their depositaries, collectors, and treasurers and to make a report to the Secretary of the Treasury. The functions referred to are now performed by the Comptroller General under the Budget and Accounting Act of 1921 (42 Stat. 23; U. S. C., 1952 edition, title 31, secs. 41–58).

Section 579 of title 19 (par. (32) of sec. 4 (a) of the bill) provides that in a suit on bond for the recovery of duties the court shall grant judgment unless the defendant makes an oath that an error was committed in the liquidation of the duties demanded. This section has been superseded by the protest provisions of section 514 of the Tariff Act of 1930 (U. S. C., 1952 edition, title 19, sec. 1514).

Section 711 (7) of title 31 (par. (33) of sec. 4 (a) of the bill) authorizes a permanent appropriation for the repayment to importers of the

excess of deposits for unascertained customs duties, or duties or other moneys paid under protest. This section has been superseded by a permanent indefinite appropriation covering all refunds of customs collections or receipts authorized by law (see act of June 30, 1949, c. 286, 63 Stat. 360).

Paragraph (34) of section 4 (a) of the bill repeals that part of the act of September 30, 1890 (c. 1126, 26 Stat. 511 (formerly codified as U. S. C. title 19, sec. 30)), which provides that such clerks and inspectors as the Secretary may designate shall be authorized to administer oaths of office. This section is obsolete and is related to sections 21, 22, 23, 24, 26, and 27 of title 19, which will be repealed by the bill (see above).

Section 4 (b) of the bill amends subsection (f) of section 500 of the Tariff Act of 1930 (U. S. C., 1952 edition, title 19, sec. 1500 (f)), which provides for the designation of an acting appraiser at ports where there is no appraiser and requires that such acting appraiser take the oath provided in section 21, title 19 (discussed above). It would repeal the requirement that the acting appraiser take the special oath provided in such section 500 (f), since the provision for that oath is being repealed by paragraph (8) of section 4 (a) of the bill. The oath prescribed by section 1757 of the Revised Statutes (U. S. C., 1952 edition, title 5, sec. 16) will be sufficient.

Section 4 (c) of the bill amends section 583 of the Tariff Act of 1930 (U. S. C. 1952 edition, title 19, sec. 1583). Section 583 provides that the Customs or Coast Guard Officer's certification regarding the inspection of the manifest required by that section shall be made on "the back of" the original manifest. The manifest forms now in use have the space for such certification on the front. The procedural detail as to place of certification on a manifest is a minor one that should be left to administrative regulation and it is proposed to delete the language "the back of" in that section.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

TARIFF ACT OF 1930, AS AMENDED

TITLE I—DUTIABLE LIST

SECTION 1. That on and after the day following the passage of this Act, except as otherwise specially provided for in this Act, there shall be levied, collected, and paid upon all articles when imported from any foreign country into the United States or into any of its possessions (except the Philippine Islands, the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, and the island of Guam) the rates of duty which are prescribed by the schedules and paragraphs of the dutiable list of this title, namely:

SCHEDULE 1.—CHEMICALS, OILS, AND PAINTS

* * * * * * *

PAR. 27. Coal-tar products:
(a) (1) * * *

* * * * * * *

(c) The ad valorem rates provided in this paragraph shall be based upon the American selling price [(as defined in subdivision (g) of section 402, Title IV),] of any similar competitive article manufactured or produced in the United States. If there is no similar competitive article manufactured or produced in the United States then the ad valorem rate shall be based upon the United States value[, as defined in subdivision (e) of section 402, Title IV].

* * * * * * *

PAR. 28. Coal-tar products:
(a) * * *

* * * * * * *

(c) The ad valorem rates provided in this paragraph shall be based upon the American selling price [(as defined in subdivision (g) of section 402, Title IV),] of any similar competitive article manufactured or produced in the United States. If there is no similar competitive article manufactured or produced in the United States then the ad valorem rate shall be based upon the United States value[, as defined in subdivision (e) of section 402, Title IV].

* * * * * * *

TITLE III—SPECIAL PROVISIONS

PART I—MISCELLANEOUS

* * * * * * *

SEC. 336. EQUALIZATION OF COSTS OF PRODUCTION.

* * * * * * *

(b) CHANGE TO AMERICAN SELLING PRICE.—If the commission finds upon any such investigation that such differences cannot be equalized by proceeding as hereinbefore provided, it shall so state in its report to the President and shall specify therein such ad valorem rates of duty based upon the American selling price [(as defined in section 402 (g))] of the domestic article, as it finds shown by the investigation to be necessary to equalize such differences. In no case shall the total decrease of such rates of duty exceed 50 per centum of the rates expressly fixed by statute, and no such rate shall be increased.

* * * * * * *

TITLE IV—ADMINISTRATIVE PROVISIONS

PART I—DEFINITIONS

* * * * * * *

SEC. 402. VALUE.

(a) BASIS.—Except as otherwise specifically provided for in this Act, the value of imported merchandise for the purposes of this Act shall be—

(1) the export value, or

(2) if the export value cannot be determined satisfactorily, then the United States value, or

(3) if neither the export value nor the United States value can be determined satisfactorily, then the constructed value;

except that, in the case of an imported article subject to a rate of duty based on the American selling price of a domestic article, such value shall be—

(4) the American selling price of such domestic article.

(b) EXPORT VALUE.—For the purposes of this section, the export value of imported merchandise shall be the price, at the time of exportation to the United States of the merchandise undergoing appraisement, at which such or similar merchandise is freely sold or, in the absence of sales, offered for sale in the principal markets of the country of exportation, in the usual wholesale quantities and in the ordinary course of trade, for exportation to the United States, plus, when not included in such price, the cost of all containers and coverings of whatever nature and all other expenses incidental to placing the merchandise in condition, packed ready for shipment to the United States.

(c) UNITED STATES VALUE.—For the purposes of this section, the United States value of imported merchandise shall be the price, at the time of exportation to the United States of the merchandise undergoing appraisement, at which such or similar merchandise is freely sold or, in the absence of sales, offered for sale in the principal market of the United States for domestic consumption, packed ready for delivery, in the usual wholesale quantities and in the ordinary course of trade, with allowances made for—

(1) any commission usually paid or agreed to be paid, or the addition for profit and general expenses usually made, in connection with sales in such market of imported merchandise of the same class or kind as the merchandise undergoing appraisement;

(2) the usual costs of transportation and insurance and other usual expenses incurred with respect to such or similar merchandise from the place of shipment to the place of delivery, not including any expense provided for in subdivision (1); and

(3) the ordinary customs duties and other Federal taxes currently payable on such or similar merchandise by reason of its importation, and any Federal excise taxes on, or measured by the value of, such or similar merchandise, for which vendors at wholesale in the United States are ordinarily liable.

If such or similar merchandise was not so sold or offered at the time of exportation of the merchandise undergoing appraisement, the United States value shall be determined, subject to the foregoing specifications of this subsection, from the price at which such or similar merchandise is so sold or offered at the earliest date after such time of exportation but before the expiration of ninety days after the importation of the merchandise undergoing appraisement.

(d) CONSTRUCTED VALUE.—For the purposes of this section, the constructed value of imported merchandise shall be the sum of—

(1) the cost of materials (exclusive of any internal tax applicable in the country of exportation directly to such materials or their disposition, but remitted or refunded upon the exportation of the article in the production of which such materials are used) and of fabrication or other processing of any kind employed in producing such or similar merchandise, at a time preceding the date of exportation of the merchandise undergoing appraisement which would ordinarily

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permit the production of that particular merchandise in the ordinary course of business;

(2) an amount for general expenses and profit equal to that usually reflected in sales of merchandise of the same general class or kind as the merchandise undergoing appraisement which are made by producers in the country of exportation, in the usual wholesale quantities and in the ordinary course of trade, for shipment to the United States; and

(3) the cost of all containers and coverings of whatever nature, and all other expenses incidental to placing the merchandise undergoing appraisement in condition, packed ready for shipment to the United States.

(e) AMERICAN SELLING PRICE.—For the purposes of this section, the American selling price of any article produced in the United States shall be the price, including the cost of all containers and coverings of whatever nature and all other expenses incidental to placing the article in condition packed ready for delivery, at which such article is freely sold or, in the absence of sales, offered for sale for domestic consumption in the principal market of the United States, in the ordinary course of trade and in the usual wholesale quantities, or the price that the manufacturer, producer, or owner would have received or was willing to receive for such article when sold for domestic consumption in the ordinary course of trade and in the usual wholesale quantities, at the time of exportation of the imported article.

(f) DEFINITIONS.—For the purposes of this section—

(1) The term "freely sold or, in the absence of sales, offered for sale" means sold or, in the absence of sales, offered—

(A) to all purchasers at wholesale, or

(B) in the ordinary course of trade to one or more selected purchasers at wholesale at a price which fairly reflects the market value of the merchandise,

without restrictions as to the disposition or use of the merchandise by the purchaser, except restrictions as to such disposition or use which (i) are imposed or required by law, (ii) limit the price at which or the territory in which the merchandise may be resold, or (iii) do not substantially affect the value of the merchandise to usual purchasers at wholesale.

(2) The term "ordinary course of trade" means the conditions and practices which, for a reasonable time prior to the exportation of the merchandise undergoing appraisement, have been normal in the trade under consideration with respect to merchandise of the same class or kind as the merchandise undergoing appraisement.

(3) The term "purchasers at wholesale" means purchasers who buy in the usual wholesale quantities for industrial use or for resale otherwise than at retail; or, if there are no such purchasers, then all other purchasers for resale who buy in the usual wholesale quantities; or, if there are no purchasers in either of the foregoing categories, then all other purchasers who buy in the usual wholesale quantities.

(4) The term "such or similar merchandise" means merchandise in the first of the following categories in respect of which export value, United States value, or constructed value, as the case may be, can be satisfactorily determined:

(A) The merchandise undergoing appraisement and other merchandise which is identical in physical characteristics with,

and was produced in the same country by the same person as, the merchandise undergoing appraisement.

(B) Merchandise which is identical in physical characteristics with, and was produced by another person in the same country as, the merchandise undergoing appraisement.

(C) Merchandise (i) produced in the same country and by the same person as the merchandise undergoing appraisement, (ii) like the merchandise undergoing appraisement in component material or materials and in the purposes for which used, and (iii) approximately equal in commercial value to the merchandise undergoing appraisement.

(D) Merchandise which satisfies all the requirements of subdivision (C) except that it was produced by another person.

(5) The term "usual wholesale quantities", in any case in which the merchandise in respect of which value is being determined is sold in the market under consideration at different prices for different quantities, means the quantities in which such merchandise is there sold at the price or prices for one quantity in an aggregate volume which is greater than the aggregate volume sold at the price or prices for any other quantity.

(g) TRANSACTIONS BETWEEN RELATED PERSONS.—

(1) For the purposes of subsection (c) (1) or (d), as the case may be, a transaction directly or indirectly between persons specified in any one of the subdivisions in paragraph (2) of this subsection may be disregarded if, in the case of any element of value required to be considered, the amount representing that element does not fairly reflect the amount usually reflected in sales in the market under consideration of merchandise of the same general class or kind as the merchandise undergoing appraisement. If a transaction is disregarded under the preceding sentence and there are no other transactions available for consideration, then, for the purposes of subsection (d), the determination of the amount required to be considered shall be based on the best evidence available as to what the amount would have been if the transaction had occurred between persons not specified in any one of the subdivisions in paragraph (2).

(2) The persons referred to in paragraph (1) are:

(A) Members of a family, including brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants;

(B) Any officer or director of an organization and such organization;

(C) Partners;

(D) Employer and employee;

(E) Any person directly or indirectly owning, controlling, or holding with power to vote, 5 per centum or more of the outstanding voting stock or shares of any organization and such organization; and

(F) Two or more persons directly or indirectly controlling, controlled by, or under common control with, any person.

[SEC. 402. VALUE.] ***SEC. 402a. VALUE (ALTERNATIVE).***

(a) BASIS.—For the purposes of this Act the value of imported **[merchandise]** *articles designated by the Secretary of the Treasury as provided for in section 6 (a) of the Customs Simplification Act of 1956* shall be—

(1) The foreign value or the export value, whichever is higher;

(2) If the appraiser determines that neither the foreign value nor the export value can be satisfactorily ascertained, then the United States value;

(3) If the appraiser determines that neither the foreign value, the export value, nor the United States value can be satisfactorily ascertained, then the cost of production;

(4) In the case of an article with respect to which there is in effect under section 336 a rate of duty based upon the American selling price of a domestic article, then the American selling price of such article.

(b) REVIEW OF APPRAISER'S DECISION.—A decision of the appraiser that foreign value, export value, or United States value can not be satisfactorily ascertained shall be subject to review in reappraisement proceedings under section 501; but in any such proceeding, an affidavit executed outside of the United States shall not be admitted in evidence if executed by any person who fails to permit a Treasury attaché to inspect his books, papers, records, accounts, documents, or correspondence, pertaining to the value or classification of such merchandise.

(c) FOREIGN VALUE.—The foreign value of imported merchandise shall be the market value or the price at the time of exportation of such merchandise to the United States, at which such or similar merchandise is freely offered for sale for home consumption to all purchasers in the principal markets of the country from which exported, in the usual wholesale quantities and in the ordinary course of trade, including the cost of all containers and coverings of whatever nature, and all other costs, charges, and expenses incident to placing the merchandise in condition, packed ready for shipment to the United States.

(d) EXPORT VALUE.—The export value of imported merchandise shall be the market value or the price, at the time of exportation of such merchandise to the United States, at which such or similar merchandise is freely offered for sale to all purchasers in the principal markets of the country from which exported, in the usual wholesale quantities and in the ordinary course of trade, for exportation to the United States, plus, when not included in such price, the cost of all containers and coverings of whatever nature, and all other costs, charges, and expenses incident to placing the merchandise in condition, packed ready for shipment to the United States.

(e) UNITED STATES VALUE.—The United States value of imported merchandise shall be the price at which such or similar imported merchandise is freely offered for sale for domestic consumption, packed ready for delivery, in the principal market of the United States to all purchasers, at the time of exportation of the imported merchandise, in the usual wholesale quantities and in the ordinary course of trade, with allowance made for duty, cost of transportation and insurance, and other necessary expenses from the place of shipment to the place of delivery, a commission not exceeding 6 per centum, if any has been paid or contracted to be paid on goods secured otherwise than by purchase, or profits not to exceed 8 per centum and a reasonable allowance for general expenses, not to exceed 8 per centum on purchased goods.

(f) COST OF PRODUCTION.—For the purpose of this title, the cost of production of imported merchandise shall be the sum of—

(1) The cost of materials of, and of fabrication, manipulation, or other process employed in manufacturing or producing such or similar merchandise, at a time preceding the date of exportation of the particular merchandise under consideration which would ordinarily permit the manufacture or production of the particular merchandise under consideration in the usual course of business;

(2) The usual general expenses (not less than 10 per centum of such cost) in the case of such or similar merchandise;

(3) The cost of all containers and coverings of whatever nature, and all other costs, charges, and expenses incident to placing the particular merchandise under consideration in condition, packed ready for shipment to the United States; and

(4) An addition for profit (not less than 8 per centum of the sum of the amounts found under paragraphs (1) and (2) of this subdivision) equal to the profit which ordinarily is added, in the case of merchandise of the same general character as the particular merchandise under consideration, by manufacturers or producers in the country of manufacture or production who are engaged in the production or manufacture of merchandise of the same class or kind.

(g) AMERICAN SELLING PRICE.—The American selling price of any article manufactured or produced in the United States shall be the price, including the cost of all containers and coverings of whatever nature and all other costs, charges, and expenses incident to placing the merchandise in condition packed ready for delivery, at which such article is freely offered for sale for domestic consumption to all purchasers in the principle market of the United States, in the ordinary course of trade and in the usual wholesale quantities in such market, or the price that the manufacturer, producer, or owner would have received or was willing to receive for such merchandise when sold for domestic consumption in the ordinary course of trade and in the usual wholesale quantities, at the time of exportation of the imported article.

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PART III—ASCERTAINMENT, COLLECTION, AND RECOVERY OF DUTIES

SEC. 500. DUTIES OF APPRAISING OFFICERS.

* * * * * * *

(f) ACTING APPRAISER.—The Secretary of the Treasury is authorized to designate an officer of the customs as acting appraiser at a port where there is no appraiser. Such acting appraiser shall [take the oath,] perform all the duties[,] and possess all the powers of an appraiser. The Secretary of the Treasury may appoint an officer of the customs who shall perform the functions of acting appraiser during the absence or disability of such acting appraiser.

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SEC. 522. CONVERSION OF CURRENCY.

* * * * * * *

[(c) MARKET RATE WHEN NO PROCLAMATION.—If no such value has been proclaimed, or if the value so proclaimed varies by 5 per centum or more from a value measured by the buying rate in the New York market at noon on the day of exportation, conversion shall be made at a value measured by such buying rate. If the date of exportation falls upon a Sunday or holiday, then the buying rate at noon

on the last preceding business day shall be used. For the purposes of this subdivision such buying rate shall be the buying rate for cable transfers payable in the foreign currency so to be converted; and shall be determined by the Federal Reserve Bank of New York and certified daily to the Secretary of the Treasury, who shall make it public at such times and to such extent as he deems necessary. In ascertaining such buying rate such Federal reserve bank may in its discretion (1) take into consideration the last ascertainable transactions and quotations, whether direct or through exchange of other currencies, and (2) if there is no market buying rate for such cable transfers, calculate such rate from actual transactions and quotations in demand or time bills of exchange.]

(c) MARKET RATE WHEN NO PROCLAMATION.—

(1) If no value has been proclaimed under subsection (a) for the quarter in which the merchandise was exported, or if the value so proclaimed varies by 5 per centum or more from a value measured by the buying rate at noon on the day of exportation, then conversion of the foreign currency involved shall be made—

(A) at a value measured by such buying rate, or

(B) if the Secretary of the Treasury shall by regulation so prescribe with respect to the particular foreign currency, at a value measured by the buying rate first certified under this subsection for a day in the quarter in which the day of exportation falls (but only if the buying rate at noon on the day of exportation does not vary by 5 per centum or more from such first-certified buying rate).

(2) For the purposes of this subsection, the term "buying rate" means the buying rate in the New York market for cable transfers payable in the foreign currency so to be converted. Such rate shall be determined by the Federal Reserve Bank of New York and certified to the Secretary of the Treasury, who shall make it public at such times and to such extent as he deems necessary. In ascertaining such buying rate, the Federal Reserve Bank of New York may, in its discretion—

(A) take into consideration the last ascertainable transactions and quotations, whether direct or through exchange of other currencies, and

(B) if there is no market buying rate for such cable transfers, calculate such rate (i) from actual transactions and quotations in demand or time bills of exchange, or (ii) from the last ascertainable transactions and quotations outside the United States in or for exchange payable in United States currency or other currency.

(3) For the purposes of this subsection, if the day of exportation is one on which banks are generally closed in New York City, then the buying rate at noon on the last preceding business day shall be considered the buying rate at noon on the day of exportation.

* * * * * * *

PART V—ENFORCEMENT PROVISIONS

* * * * * * *

SEC. 583. CERTIFICATION OF MANIFEST.

The master of every vessel and the person in charge of every vehicle bound to a port or place in the United States shall deliver to the officer of the customs or Coast Guard who shall first demand it of him, the original and one copy of the manifest of such vessel or vehicle, and such officer shall certify on [the back of] the original manifest to the inspection thereof and return the same to the master or other person in charge.

SECTIONS OF THE REVISED STATUTES OF THE UNITED STATES REPEALED

[SEC. 258. The Secretary of the Treasury shall lay before Congress at the commencement of each regular session a statement of the amount of money expended at each customhouse during the preceding fiscal year, and of the number of persons employed, and the occupation and salary of each person at each customhouse during the same period.]

* * * * * * *

[SEC. 960. When suit is brought on any bond for the recovery of duties due to the United States, it shall be the duty of the court to grant judgment at the return term, upon motion, unless the defendant in open court (the United States attorney being present) makes oath that an error has been committed in the liquidation of the duties demanded upon such bond, specifying the errors alleged to have been committed, and that the same have been notified in writing to the collector of the district before the said return term; whereupon a continuance may be granted until the next term, and no longer, if the court is satisfied that such continuance is necessary for the attainment of justice.]

* * * * * * *

[SEC. 2580. The Secretary of the Treasury shall appoint inspectors of the customs to reside at San Antonio, Eagle Pass, the Presidio del Norte, and San Elizario, or at such other points as he may designate, not exceeding four in number, upon the routes by which goods entered and bonded and withdrawn from warehouse may, in pursuance of law, be exported to Mexico; and such inspectors shall make a report semiannually to the Secretary of the Treasury of all the trade that passes under inspection, stating the number of packages, description of goods, their value, and the names of the exporters.]

* * * * * * *

[SEC. 2611. Special examiners of drugs, medicines, chemicals, and so forth, shall, before entering upon their duties, take and subscribe an oath faithfully and diligently to perform such duties, and to use their best endeavors to prevent and detect frauds upon the revenue of the United States; which oath shall be administered by the collector of the port or district where the examiner making it is employed.]

[SEC. 2612. The Secretary of the Treasury shall give to the collectors of districts for which an examiner of drugs, medicines, and chemicals is not provided by law, such instructions as he may deem

necessary to prevent the importation of adulterated and spurious drugs and medicines.]

* * * * * * *

[SEC. 2614. The appraiser at New York, before he enters upon the duties of his office, shall take and subscribe an oath faithfully to direct and supervise the examination, inspection, and appraisement according to law, of such merchandise as the collector may direct pursuant to law, and to cause to be duly reported to the collector the true value thereof as required by law. All other appraisers, and all resident merchants appointed according to law to act as appraisers, shall severally take and subscribe an oath diligently and faithfully to examine and inspect such merchandise as the collector may direct, and truly to report, to the best of their knowledge and belief, the true value thereof.]

[SEC. 2615. Each of the assistant appraisers at the port of New York, before entering upon the duties of his office, shall take and subscribe an oath diligently and faithfully to examine and inspect such goods, wares, and merchandise as the appraiser may direct, and truly to report to him the true value thereof, according to law. Such report shall be subject to revision and correction by the appraiser, and when approved by him shall be transmitted to the collector, and shall be deemed an appraisement by the United States local appraiser of the district of such merchandise required by law. The assistant appraisers at Boston, Philadelphia, and San Francisco, shall take and subscribe an oath diligently and faithfully to examine and inspect such merchandise as the principal appraisers may direct, and truly to report to them the true value thereof, according to law.]

[SEC. 2616. Every officer, clerk, or employee appointed under this Title shall, before entering upon his duties, take and subscribe an oath in addition to the oath of office prescribed by section seventeen hundred and fifty-six or section seventeen hundred and fifty-seven, Title "Provisions Applying to Several Classes of Officers," that he will use his best endeavors to prevent and detect frauds against the laws of the United States imposing duties upon imports.]

[Sec. 2617. The oath of office required by law to be taken by a collector may be taken before any magistrate authorized to administer oaths within the district to which such collector belongs. The oath required to be taken by any other person appointed to any office under this Title shall be taken before the collector of his district.]

* * * * * * *

[SEC. 2627. At ports to which there are appointed a collector, naval officer, and surveyor, it shall be the duty of the surveyor, who shall be in all cases subject to the direction of the collector—

[First. To superintend and direct all inspectors, weighers, measurers, and gaugers within his port.

[Second. To report once in every week to the collector the name or names of all inspectors, weighers, gaugers, or measurers who are absent from or neglect to do their duty.

[Third. To visit or inspect the vessels which arrive in his port, and make a return in writing every morning to the collector of all vessels which have arrived from foreign ports during the preceding day; specifying the names and denominations of the vessels, the masters' names, from whence arrived, whether laden or in ballast, to what

nation belonging, and, if American vessels, whether the masters thereof have or have not complied with the law, in having the required number of manifests of the cargo on board, agreeing in substance with the provisions of law.

[Fourth. To put on board each of such vessels one or more inspectors immediately after their arrival in his port.

[Fifth. To ascertain the proof, quantities, and kinds of distilled spirits imported, rating such spirits according to their respective degrees of proof, as defined by the laws imposing duties on spirits.

[Sixth. To examine whether the goods imported in any vessel, and the deliveries thereof, agreeably to the inspector's returns, correspond with the permits for landing the same; and if any error or disagreement appears, to report the same to the collector, and to the naval officer, if any.

[Seventh. To superintend the lading for exportation of all goods entered for the benefit of any drawback, bounty, or allowance, and examine and report whether the kind, quantity, and quality of the goods, so laden on board any vessel for exportation, correspond with the entries and permits granted therefor.

[Eighth. To examine, and, from time to time, and particularly on the first Mondays of January and July in each year, try the weights, measures, and other instruments used in ascertaining the duties on imports, with standards to be provided by each collector at the public expense for that purpose; and where disagreements or errors are discovered, to report the same to the collector; and to obey and execute such directions as he may receive for correcting the same, agreeably to the standards.]

* * * * * * *

[SEC. 2635. Every collector, naval officer, and surveyor shall cause to be affixed, and constantly kept in some public and conspicuous place of his office, a fair table of the rates of fees and duties demandable by law, and shall give a receipt for the fees received by him, specifying the particulars whenever required so to do; and for every failure so to do, he shall be liable to a penalty of one hundred dollars, recoverable to the use of the informer.]

* * * * * * *

[SEC. 2646. All blank-books, blanks, and stationery of every kind required by collectors and other officers of the customs shall, so soon as they can be prepared for delivery, by or under the direction of the Secretary of the Treasury, be furnished to them for the use of their respective offices, upon requisition made by them, and the expense of such books, blanks, and stationery shall be paid out of the appropriation for defraying the expenses of collecting the revenue from customs.]

[SEC. 2647. Every collector of customs, every naval officer, and every surveyor performing or having performed the duties of a collector, shall render a quarter-yearly account, under oath, to the Secretary of the Treasury, in such form as the Secretary shall prescribe, of all sums of money by each of them respectively received or collected for fines, penalties, or forfeitures, or for seizure of merchandise, or upon compromises made upon any seizure; or on account of suits instituted for frauds against the revenue laws; or for rent and storage of merchandise, which may be stored in the public store-houses, and

for which a rent is paid beyond the rents paid by the collector or other such officer; or for custody of goods in bonded warehouses; and if from such accounting it shall appear that the money received in any one year by any collector, naval officer, or surveyor, on account and for rents and storage, and for fees and emoluments, shall in the aggregate exceed the sum of two thousand dollars, such excess shall be paid by the collector, naval officer, or surveyor, as the case may be, into the Treasury as public money.]

[SEC. 2648. Collectors and surveyors of the collection-districts on the northern, northeastern, and northwestern frontiers are authorized to keep on sale, at their several offices, blank manifests and clearances required for the business of their districts, and to charge the sum of ten cents, and no more, for each blank which shall be prepared and executed by them.]

[SEC. 2649. The Secretary of the Treasury may appoint special agents, not exceeding fifty-three in number, for the purpose of making the examinations of the books, papers, and accounts of collectors and other officers of the customs, and to be employed generally, under the direction of the Secretary, in the prevention and detection of frauds on the customs revenue; and the expense thereof shall be charged to the "appropriation to defray the expense of collecting the revenue from customs."]

* * * * * * *

[SEC. 2651. The Secretary of the Treasury may, from time to time, make such regulations not inconsistent with law, for the government of the special agents, as he deems expedient, and may rescind or alter regulations so made. But no special agent, in addition to those authorized by the two preceding sections, shall be appointed or employed upon any business relating to the customs revenue; nor shall any sum be paid to any agent authorized to be employed for mileage or any other expenses except such as are actually incurred in the discharge of his official duty.]

* * * * * * *

[SEC. 2687. Collectors and all other officers of the customs, serving for a less period than a year, shall not be paid for the entire year, but shall be allowed in no case a greater than a pro rata of the maximum compensation of such officers respectively for the time only which they actually serve as such collectors or officers, whether the same be under one or more appointments, or before or after confirmation. And no collector or other officer shall, in any case, receive for his services, either as fees, salary, fines, penalties, forfeitures, or otherwise for the time he may be in service, beyond the maximum pro rata rate provided by law. And this section shall be applied and enforced in regard to all officers, agents, and employees of the United States whomsoever, as well as those whose compensation is determined by a commission on disbursements, not to exceed an annual maximum, as those paid by salary or otherwise.]

* * * * * * *

[SEC. 2763. The collector of each district may, with the approval of the Secretary of the Treasury, provide and employ such small open row and sail boats, and persons to serve in them, as shall be

necessary for the use of the surveyors and inspectors in going on board of vessels and otherwise for the better detection of frauds.]

* * * * * * *

[SEC. 2918. The Secretary of the Treasury may, under the direction of the President, adopt such hydrometer as he may deem best calculated to promote the public interest for the purpose of ascertaining the proof of liquors; and, after such adoption, the duties imposed by law upon distilled spirits shall be collected according to proof ascertained by any hydrometer so adopted.]

* * * * * * *

[SEC. 2940. The Secretary of the Treasury may, on the nomination of the appraiser, appoint such number of examiners at the port of New York as the Secretary may in writing determine to be necessary, to aid each of the assistant appraisers in the examination, inspection, and appraisement of merchandise. No person shall be appointed such examiner who is not, at the time of his appointment, practically and thoroughly acquainted with the character, quality, and value of the article in the examination and appraisement of which he is to be employed; nor shall any such examiner enter upon the discharge of his duties, as such, until he shall have taken and subscribed an oath faithfully and diligently to discharge such duties.]

[SEC. 2941. No appraiser, assistant appraiser, examiner, clerk, verifier, sampler, messenger, or other person employed in the departments of appraisal at the port of New York, or any of them, shall engage or be employed in any commercial or mercantile business, or act as agent for any person engaged in such business during the term of his appointment.]

[SEC. 2942. All provisions relating to the duties of appraisers, or to any proceedings consequent or dependent upon the action of such appraisers and not inconsistent with the provisions relating to the appraiser and assistant appraisers at the port of New York, shall be construed to apply to them.]

* * * * * * *

[SEC. 2944. If at any time, from an increase of importation, or from any other cause, there shall be found upon the floors of the public stores in the city of New York an accumulation of merchandise awaiting appraisement, the appraiser shall, under regulations established by the Secretary of the Treasury, direct the assistant appraisers, and others associated with them in this branch of the public business, to devote time beyond the usual business hours, in each day, during daylight, to their respective duties, so that the business of appraisement may be faithfully and more promptly dispatched.]

* * * * * * *

[SEC. 2999. For the purpose of better guarding against frauds upon the revenue on foreign merchandise transported between the ports of the Atlantic and those of the Pacific overland through any foreign territory, the Secretary of the Treasury may appoint special sworn agents as inspectors of the customs, to reside in such foreign territory where such merchandise may be landed or embarked, with power to superintend the landing or shipping of all merchandise, passing coastwise between the ports of the United States on the Pacific and the Atlantic. It shall be their duty, under such regulations and instructions as the Secretary of the Treasury may prescribe, to guard

against the perpetration of frauds upon the revenue. The compensation paid to such inspectors shall not in the aggregate exceed five thousand dollars per annum.]

* * * * * * *

[SEC. 3089. Whenever a seizure, condemnation, and sale of merchandise takes place within the United States, and the value thereof is less than $250, that part of the forfeiture which accrues to the United States, or so much thereof as may be necessary, shall be applied to the payment of the cost of prosecution.]

* * * * * * *

[SEC. 3650. In addition to the examinations provided for in the preceding section, it shall be the duty of each naval officer and surveyor, as a check upon the assistant treasurers, or the collector of the customs, of their respective districts; of each register of a land-office, as a check upon the receiver of his land-office; and of the director and superintendent of each Mint and branch-mint, when separate officers, as a check upon the treasurers, respectively, of the mints, or the persons acting as such, at the close of each quarter of the year, and as much oftener as they are directed by the Secretary of the Treasury to do so, to examine the books, accounts, returns, and money on hand, of the assistant treasurers, collectors, receivers of land-offices, treasurers of the Mint and each branch-mint, and persons acting as such, and to make a full, accurate, and faithful return of their condition to the Secretary of the Treasury.]

* * * * * * *

SEC. 3689. There are appropriated, out of any moneys in the Treasury not otherwise appropriated, for the purposes hereinafter specified, such sums as may be necessary for the same respectively; and such appropriation shall be deemed permanent annual appropriations.

* * * * * * *

[Repayment of excess of deposits for unascertained duties, (customs):

[To repay to importers the excess of deposits for unascertained duties, or duties or other moneys paid under protest.]

SECTION 13 OF TITLE 19, UNITED STATES CODE

[§ 13. SAME; NUMBER

[The number of special agents referred to in section 12 of this title shall be thirty.]

SECTION 13 OF THE ACT OF JUNE 22, 1874

[SEC. 13. That any merchandise entered by any person or persons violating any of the provisions of the preceding section, but not subject to forfeiture under the same section, may, while owned by him or them, or while in his or their possession, to double the amount claimed, be taken by the collector and held as security for the payment of any fine or fines incurred as aforesaid, or may be levied upon and sold on execution to satisfy any judgment recovered for such fine or fines.

But nothing herein contained shall prevent any owner or claimant from obtaining a release of such merchandise on giving a bond, with sureties satisfactory to the collector, or, in case of judicial proceedings, satisfactory to the court, or the judge thereof, for the payment of any fine or fines so incurred: *Provided, however,* That such merchandise shall in no case be released until all accrued duties thereon shall have been paid or secured.]

SECTION 11 OF THE ACT OF FEBRUARY 8, 1875

[SEC. 11. That the oaths now required to be taken by subordinate officers of the customs may be taken before the collector of the customs in the district in which they are appointed, or before any officer authorized to administer oaths generally; and the oaths shall be taken in duplicate, one copy to be transmitted to the Commissioner of Customs, and the other to be filed with the collector of customs for the district in which the officer appointed acts. And in default of taking such oath, or transmitting a certificate thereof, or filing the same with the collector, the party failing shall forfeit and pay the sum of two hundred dollars, to be recovered, with cost of suit, in any court of competent jurisdiction, to the use of the United States.]

SECTION 1 OF THE ACT OF SEPTEMBER 30, 1890

That * * *

* * * * * * *

Relief of Collector of Customs at New York: The accounting officers of the Treasury are hereby authorized in the settlement of the accounts of the collector of customs at the port of New York to allow payments made to additional customs officers appointed in the district of New York under the provisions of section twenty-seven hundred and twenty-two of the Revised Statutes for the time they actually served, being in amounts for fiscal years as follows: For eighteen hundred and ninety, three thousand nine hundred and sixty dollars and seventy-four cents; for eighteen hundred and ninety-one, eight hundred and fifteen dollars and twenty-two cents; in all, four thousand seven hundred and seventy-five dollars and ninety-six cents. And the proper accounting officers of the Treasury are hereby authorized hereafter in the settlement of the accounts of the collector of customs at the port of New York to allow payments for salaries of two additional deputy surveyors at the rate of two thousand five hundred dollars each per annum, and for one additional deputy naval officer at the rate of two thousand five hundred dollars per annum. [And such clerks and inspectors of customs as the Secretary of the Treasury may designate for the purpose shall be authorized to administer oaths, such as deputy collectors of customs are now authorized to administer, and no compensation shall be paid or charge made therefor.]

* * * * * * *

ACT OF DECEMBER 18, 1890

[That the several collectors, naval officers, surveyors, and appraisers shall have power, with the approval of the Secretary of the Treasury, as punishment for any neglect or minor delinquency the punishment whereof is not prescribed by law, to suspend from duty with loss of pay for a period not to exceed thirty days for any one cause, any customs officer or employee nominated or appointed and subordinate to such collector, naval officer, surveyor, or appraiser: *Provided, however*, That the Secretary of the Treasury may, on application by the suspended person within one year from the expiration of the suspension, in his discretion pay the whole or any part of the pay forfeited by reason of said suspension.]

ACT OF FEBRUARY 10, 1913

[That the Secretary of the Treasury be, and he is hereby, authorized and directed to construct or purchase one gasoline motorboat, for service in the customs collection district of Corpus Christi, Texas, at a cost not to exceed the sum of six thousand dollars: *Provided*, That the Secretary of the Treasury may use this boat elsewhere than at Corpus Christi as the exigencies of the service may require.]

ACT OF SEPTEMBER 24, 1914

[That hereafter the headquarters of the customs district of Florida shall be at Tampa, in said State.]

MINORITY VIEWS ON H. R. 6040

We are opposed to H. R. 6040 in the form in which it was referred to the committee and as amended by the committee.

This very complicated customs simplification bill would change customs valuation rules of 30 years' standing. It would eliminate foreign value, make export value the major base for United States ad valorem duties, and change longstanding definitions of value terms. As shown by the Treasury Department's own testimony, these changes will lower the value for customs duty purposes and, hence, United States duties more than 5 percent on 19 broad classes of imported merchandise.

The bill's innocent appearance did not deceive the committee last year. Because of its tariff-reducing effect, the committee after hearings in July 1955 did not report the bill. Thereafter, Treasury proposed "compromise" amendments.

This "compromise" consisted of a complicated scheme under which Treasury would identify at the beginning of each year for 3 years the imported products which would experience a reduction in duty exceeding 5 percent if the bill's value rules were applied. For 3 years those articles appearing on the Treasury list would continue to be valued for duty purposes under the present law. At the end of 3 years a report of the duty reductions which would occur under H. R. 6040 would be made by Treasury to Congress. If Congress did not act in 90 days, the new valuation rules of H. R. 6040 would have automatically become applicable to all United States imports.

Hearings were held by the committee on the "compromise" amendments on June 25, 26, and 27 of this year. After the public hearings had been concluded, the Treasury Department proposed to the committee an additional amendment to the bill providing in substance that all articles appearing on the fourth and final list to be prepared by the Treasury Department would continue to be valued for duty purposes under the present law unless and until Congress by appropriate legislation directed that such articles be valued for duty purposes under the new value provisions of H. R. 6040.

This amendment was adopted by the committee without opportunity for interested and affected industries to be heard and without sufficient time for an examination of the full implications of the amendment.

The bill as amended by the committee fails to correct the basic defects in the bill:

First: Inherent in the bill as amended by the committee is the assumption that a 5 percent decrease in valuation will not significantly affect the tariff protection afforded by the existing valuation standards. Any such premise is invalid. Furthermore, the bill as amended fails to meet the concern the committee itself had at the conclusion of its hearings in July of last year about the duty-reducing effects of the bill. The amended bill provides for arbitrary and across-the-board tariff reductions rather than the "gradual" and "selective" reductions

advocated by President Eisenhower. Moreover, these reductions are not subject to the "peril point," "escape clause," and national security industries.

The fact that the so-called peril point and escape clause are ineffective and only included in prior extensions of the 1934 Trade Agreements Act to "wet down" public opinion do not justify ignoring the last vestige of recognition of the American workingman and investors.

Second: The bill as amended by the committee provides for a series of reports to Congress. It is not specific either as to the content or the preparation of the reports. Such reports can be revealing or not, depending upon the intent of the person making the report. No standard for classification is prescribed. It is possible to group imported articles for listing purposes in such a fashion as to eliminate the possibility of determining the effect of the changed valuation standard. Moreover, the amended bill provides for nothing more than publication of the lists. The Secretary is not required to publish any findings or supporting data upon which the lists are based. All that is required is preparation of lists "after such investigation" as the Secretary "deems necessary." This leaves the Secretary of the Treasury complete discretion as to the standards which are to govern the information to be contained in the reports to Congress.

The full extent of this discretion cannot be measured. The amended bill makes no provision for an effective appeal. If an article of merchandise is omitted from a list or is improperly classified, complaint must be made to the Secretary. All the amended bill requires the Secretary to do is to "cause such investigation of the matter to be made as he deems necessary." The amended bill places an impossible burden of proof on domestic industries to show why their products should not be subjected to the tariff-reducing effects of the bill.

Third: The procedure provided in the amended bill for objection by a domestic manufacturer would be ineffective. The 60 days given to a domestic manufacturer in which to specify particular articles which he believes belong on the Treasury lists is unrealistic. Import statistics are not published in sufficient detail nor rapidly enough to let any private company know whether its products classified under general tariff terminology have actually been imported. Moreover, most producers do not have readily available foreign and export value data on all their products. Finally, much of this information as may be in the possession of the Treasury is not made available to domestic producers.

Fourth: If such reports are to determine what articles are to continue being valued for duty purposes under the present law, some better system of collecting and testing the data on which these reports are based should be provided. Congress in the Customs Simplification Act of 1954, in providing for a study of tariff reclassifications by the Tariff Commission, prescribed that the simplification purposes be achieved if at all possible without changes in the tariff. In those instances where the Commission concluded that changes in the level of the tariff would be required, Congress directed that before making such recommendations—

> the Commission shall give public notice of its intention to do so and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at

public hearings with respect to the probably effect of such suggested changes on any industry in the United States.

The amended bill is completely lacking in any such safeguards.

Fifth: Under the amended bill foreign producers would have it within their power to manipulate their merchandising procedures in such a way as to influence the exclusion of their products from the list of articles which would experience a reduction in duty exceeding 5 percent under the new value rules. This could be accomplished by trade practices which would result in no foreign value being found at the time the preliminary and final lists were prepared under the amended bill. Treasury in its testimony before the committee admitted that "foreign exporters are now in a position to so conduct their affairs that the export value will be used in most cases." Once having accomplished the appraisement of their products under the new value provisions and after publication of the final list under the amended bill, the foreign producers would be free to resume their former practice of exporting their products to this country far below the foreign value without being subjected to the automatic check against this practice provided by the present value provisions. There would remain for the protection of domestic producers only the antidumping provisions of our tariff law.

This result is typical of the implications of the last amendment adopted by the committee without opportunity for hearing and adequate consideration. The fact that under this amendment Congress must take affirmative action to remove an article from the fourth and final list and subject it to the new value standards is no protection against the practice referred to. If anything, this amendment enhances the opportunity of foreign producers to engage in dumping practices to the detriment of domestic producers.

Sixth: Even the last remaining antidumping provision of our tariff laws for the protection of our domestic industries would be substantially weakened by the amended bill. With the elimination of foreign value by the amended bill, the foreign value data now collected by the Customs Service for the administration of the present value provisions would be substantially curtailed.

Seventh: If a proper determination is to be made under the amended bill as to the applicability of the new valuation rules to articles which will suffer a reduction in value by 5 percent or more, it is obviously necessary that for each test period specified each and every imported article subject to ad valorem duties be appraised under both the present value standards and those specified in the amended bill.

The amended bill provides that the Secretary will publish a preliminary list of articles which were imported in fiscal year 1954 and which would have been appraised under the amended bill at 95 percent or less of the average value at which such articles were actually appraised. The Secretary's annual report for fiscal 1954 states under the caption, "Appraisement of Merchandise," that there were 1,472,000 invoices handled in 1954. Each of these would have to be reexamined to identify those pertaining to articles whose duties are based in whole or part on value. Then a new appraisement would have to be made of the merchandise covered by each invoice so identified.

What is the magnitude of this task? In a 5 percent sampling of fiscal year 1954 dutiable entries at New York and Laredo and a 2½ percent sampling at 6 other ports, customs personnel made 19,908

recomputations of dutiable values. To do a 100 percent job just on those ports, it would apparently require at least 20 times that number of recomputations, or more than 398,160 recomputations. With what degree of accuracy can such a monumental undertaking be accomplished in the customhouses of the United States? What will the effect be on the regular day-to-day workload of the customs personnel and the prompt disposition of customs entries which Treasury is seeking to accomplish by the amended bill? Assuming that the Secretary can get over the task of compiling the first list, he must face the task of compiling the second, third, and fourth lists in the same way.

Furthermore, the lists would not necessarily carry the same items year after year. Items appearing on the list are to be appraised under the present value standards while those not listed would be appraised under the rules provided in the amended bill. This on-again, off-again character of the lists would create considerable confusion abroad as to the amount of duties to which imported articles would be subject during the 4-year period involved.

The final amendment proposed by Treasury to the bill would only add to this confusion, for after the publication of the fourth and final list certain imported articles would be valued under the value rules provided for in the amended bill and other imported articles would continue to be valued under the present value rules.

In short, the amended bill, if it is to be properly executed, involves almost an insurmountable workload at home and continuing confusion among foreign traders abroad. This is hardly customs simplification.

Eighth: What is the objective which would require a substantial reduction in the duty protection now afforded domestic producers, a tremendous increase in the workload of customs personnel, and confusion to foreign producers as to the tariff treatment of their products which they desire to export to the United States? The Treasury Department has testified that the bill would simplify customs procedures "primarily by eliminating the necessity for a great number of investigations in foreign countries." What are the actual dimensions of this problem? The 1955 report of the Secretary of the Treasury states that only 420 foreign investigations (including both classifications and value problems) were required in fiscal 1955 out of a total of 1,632,000 invoices handled. This is less than three-one hundredths of 1 percent. It is less than half of the 968 foreign inquiries in the preceding year. It is little more than a third of the peak year, 1953, when foreign investigations reached 1,180. Moreover, customs reduced its backlog of entries awaiting liquidation by about 61 percent during fiscal year 1955.

Is this the kind of a situation which calls for scrapping our well-established customs value machinery? We think not.

The people generally are only now becoming aware of the fact that beginning with the 1934 Trade Agreements Act that every move, GATT, ITO, OTC, customs simplification, billions to Europe, International Monetary Fund and many other organizations, and much proposed legislation form a concentrated attack on the economy of this Nation—and a leveling of our standard of living with that of the low-wage living standard nations of the world.

GEO. W. MALONE,
United States Senator, Nevada.

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Calendar No. 2601

84TH CONGRESS, 2d Session } SENATE { REPORT No. 2561

AMENDING THE DISTRICT OF COLUMBIA PUBLIC SCHOOL FOOD SERVICES ACT

JULY 13, 1956.—Ordered to be printed

Mr. MCNAMARA, from the Committee on the District of Columbia, submitted the following

REPORT

[To accompany S. 3619]

The Committee on the District of Columbia, to whom was referred the bill (S. 3619) to amend the District of Columbia Public School Food Services Act, after full consideration, report favorably thereon without amendment and recommend that the bill do pass.

The purpose of this bill is to amend the District of Columbia Public School Food Services Act (65 Stat. 369; sec. 31–1405, D. C. Code, 1951 edition) so as to authorize payment from appropriated funds of the cost of free lunches provided for children in the District schools whose cases come within any of the following circumstances:

(1) Children of families receiving public assistance.

(2) Children of large families of low or reduced incomes.

(3) Children suffering from malnutrition who may be referred by the school nurse or the school doctor.

The District of Columbia Public School Food Services Act established a Department of Food Services under the direction and control of the Board of Education, and authorized such Department to conduct a centralized system of public-school cafeterias, lunchrooms, and related services. In order to enable the Department of Food Services to function, the act established the "District of Columbia Public School Food Services Fund". All revenues and receipts derived from the operation of food services in the schools are paid into this fund, and it is used as a permanent revolving fund for the purchase of foods, supplies, and all services and expenditures necessary, including personal services, the operation and maintenance of motortrucks, and the expense of conducting the office of central management.

Except for the original single appropriation of $25,000 which established the fund, the only appropriations authorized are those for the acquisition, maintenance and replacement of equipment used or acquired for use in the conduct of the Department of Food Services.

The act also authorizes schools operating thereunder to participate in the functions authorized under the National School Lunch Act (60 Stat. 233; 42 U. S. C. 1758), which provides that lunches shall be made available to needy children without cost or at a reduced cost.

The cost of free lunches in the District of Columbia schools is currently being absorbed by the Food Services Fund, which in effect means that the pupils who can afford to pay for their lunches are contributing to the cost of the lunches served without charge to needy pupils. Experience bears out the fact that as prices charged are increased, participation decreases, and therefore there is a distinct possibility that unless some financial relief is realized for these lunches served without charge to needy pupils, other than absorbing the cost by those who pay for their lunches, the cost of these lunches may not be met. Should this occur, the entire food-services program would be placed in a precarious financial position as a result. During the 1954–55 school year, 44,781 free lunches were served, the cost of which had to be absorbed.

The Board of Commissioners concur in the recommendation of the school authorities and favor enactment of this legislation.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law in the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

(65 Stat. 369)

SEC. 5. There is hereby created in the Treasury of the United States a fund to be known as "District of Columbia Public School Food Services Fund", hereinafter referred to as the "Food Services Fund", and there is authorized to be appropriated, out of the revenues of the District of Columbia, $25,000 which shall be credited to the Food Services Fund. All revenues and receipts of any nature whatever derived from the operation of food services, or as provided otherwise by this Act, shall, under regulations of the Board, be paid over to the Collector of Taxes of the District of Columbia not less often than once each week and by him deposited in the Treasury of the United States to the credit of the Food Services Fund. Such fund shall be used as a permanent revolving fund and expenditures therefrom shall be made only upon vouchers certified by the Superintendent of Schools or his designated agent and approved before payment by the Auditor of the District of Columbia, and shall be disbursed in the same manner as other District of Columbia funds are disbursed. The Food Services Fund shall be available for the purchase of food, supplies, and all other services and expenditures of whatever nature which are necessary for the conduct of the Department of Food Services, including personal services, the operation and maintenance of motor trucks, and the expenses of conducting the Office of Central Management.

SEC. 6. Appropriations are hereby authorized for the acquisition, maintenance and replacement of equipment used or acquired for use in the conduct of the Department of Food Services in the public

schools of the District of Columbia *and for reimbursement of the District of Columbia Public School Food Services Fund for lunches served in accordance with section 9 of the National School Lunch Act (60 Stat. 233; T. 42, sec. 1758, U. S. C., 1952 edition), to children without cost to such children or at reduced cost. The rate of such reimbursement for such lunches served by the Public Schools in the District of Columbia shall be the student price of "Type A Lunch" in effect at the time such lunches are served. As used in this section the term "Type A Lunch" means a Type A Lunch as defined in regulations promulgated by the Secretary of Agriculture pursuant to authority in the National School Lunch Act.*

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Calendar No. 2602

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2562

AMENDING THE ACT ENTITLED "AN ACT TO REGULATE THE PRACTICE OF VETERINARY MEDICINE IN THE DISTRICT OF COLUMBIA," APPROVED FEBRUARY 1, 1907

JULY 13, 1956.—Ordered to be printed

Mr. MCNAMARA, from the Committee on the District of Columbia, submitted the following

REPORT

[To accompany H. R. 5853]

The Committee on the District of Columbia, to whom was referred the bill (H. R. 5853) to amend the Act entitled "An Act To Regulate the Practice of Veterinary Medicine in the District of Columbia," approved February 1, 1907, after full consideration, report favorably thereon without amendment and recommend that the bill do pass.

The purpose of this bill is to amend sections 1 and 3 of the act of February 1, 1907, so as to accomplish the following:

1. Remove the present requirement that each member of the Board of Examiners in Veterinary Medicine be a bona fide resident of the District of Columbia. However, the requirement that members of the Board shall have been in active practice of veterinary medicine in the District for 3 years next preceding their appointments, remains in the act. This change is considered necessary in order to provide a larger number of veterinarians from whom the board of examiners may be appointed. Several qualified veterinarians, who presently live in the Maryland or Virginia suburbs of Washington, practice in the District of Columbia; however, existing law precludes their appointment to the board of examiners.

2. Increase the course of study required of licensees to four 9-month college sessions, in place of the present requirement of two 6-month college sessions. This is in accord with present practice in the various schools of veterinary medicine, which require a minimum course of 4 years.

Provision is also made that applicants for examination shall have completed the required amount of study of veterinary medicine at a college which has a curriculum equivalent to that required by the American Veterinary Medical Association's Council on Education for

schools approved by the association. This requirement is considered necessary in order to cope with the anticipated applications of a number of graduates of a veterinary college in the United States which, during its operation, was not approved by the American Veterinary Medical Association. These graduates, it is understood, have been or are attending a foreign university, and, upon the completion of its course (understood to be a 2-year course), might contend they have completed a 4-year course of veterinary medical training. A number of the State boards of examiners in veterinary medicine presently require graduation from a veterinary college approved by the American Veterinary Medical Association. The District of Columbia, which does not now have such a requirement, may therefore reasonably expect to receive applications from the graduates of veterinary medical colleges not meeting the standards established by the Council on Education of the American Veterinary Medical Association, unless this requirement is written into the applicable statute.

3. Delete the provision in existing law relative to the licensing of graduates of 2-year colleges who have had 5 years' practice. This is rendered necessary by the proposed increase in educational requirements.

4. Provide for holding examinations at least once a year, in lieu of the present requirement that examinations be held in January, April, July, and October of each year. From the small number of persons making application in each year, the scheduling of four examinations each year is not feasible. Accordingly, it is desirable that the Board be authorized to conduct an examination at least once a year. Such provision would conform to similar provisions in the veterinary practice acts of 21 States, including Maryland and Virginia.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law in the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

(34 Stat. 870)

That there be, and is hereby, created a board of examiners in veterinary medicine, to be appointed by the Commissioners of the District of Columbia, which shall consist of five reputable practitioners of veterinary medicine, who shall have graduated from some college authorized by law to confer degrees, each of whom [shall have been a bona fide resident of said District for three years last past before appointment, and each, during said period,] shall have been actively engaged in the practice of his profession in said District *for a period of three years immediately prior to such appointment.* * * *

SEC. 3. That from and after the passage of this Act all persons desiring to practice veterinary medicine or any branch thereof in the District of Columbia or who shall desire to hold themselves out to the public as practicing veterinary medicine or any branch thereof in the District of Columbia, shall make application to said board of examiners in veterinary medicine for a license so to do. Application for this

purpose shall be upon a form furnished by said board, and shall be accompanied by satisfactory evidence of good moral character, and by a diploma from [some veterinary college authorized by law to confer the same, which college shall require at least two sessions of study of veterinary medicine of not less than six months each prior to the issue of such diploma, and graduates of two-year colleges shall accompany their diplomas by satisfactory evidence that they have practiced veterinary medicine for five years last past subsequent to the issue of such diplomas,] *a veterinary college having a curriculum equivalent to that required by the American Veterinary Medical Association Council on Education for approved schools and authorized by law to confer said diploma, which college shall require at least four sessions of study of veterinary medicine of not less than nine months each prior to the issue of such diploma,* and by a fee of ten dollars, except as herein otherwise directed, and from the fund thus created, the board shall pay such necessary expenses as it may incur. Such expenses shall not exceed in any one fiscal year the amount of fees collected during that period, but if any balance remain after paying all such expenses the Commissioner of said District shall authorize the payment therefrom to the members of said board for their services of such amounts as said Commissioners deem proper. Said board shall, by means of examinations, ascertain the professional qualifications of all applicants for license to practice veterinary medicine in said District, and shall issue such liecnses to all who are found by such examinations to be, in the judgment of said board, competent to so practice; and no such license shall be issued to any person who has not so demonstrated his competence, except as hereinafter otherwise provided. Such examinations shall be held [in January, April, July, and October of each year,] *at least once a year* and shall include all such subjects as are ordinarily included in the curricula of veterinary colleges in good standing, but examinations may be held at such other times and include such other subjects as said board shall authorize and direct. Said board shall number consecutively all applications received, note upon each the disposition made of it, and preserve the same for reference, and shall number consecutively all licenses issued.

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Calendar No. 2603

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2563

AMENDING THE ACT ENTITLED "AN ACT TO PROVIDE RECOGNITION FOR MERITORIOUS SERVICE BY MEMBERS OF THE POLICE AND FIRE DEPARTMENTS OF THE DISTRICT OF COLUMBIA"

JULY 13, 1956.—Ordered to be printed

Mr. MCNAMARA, from the Committee on the District of Columbia, submitted the following

REPORT

[To accompany H. R. 10375]

The Committee on the District of Columbia, to whom was referred the bill (H. R. 10375) to amend the act entitled "An Act to provide recognition for meritorious service by members of the police and fire departments of the District of Columbia," approved March 4, 1929, after full consideration, reports favorably thereon without amendment and recommends that the bill do pass.

The purpose of this bill is to amend the act of March 4, 1929, to enlarge the opportunities for the members of the police and fire departments of the District of Columbia to receive more than one silver medal award in any one year.

Under existing law, provision is made for the official recognition of outstanding acts in the line of duty by members of the police and fire departments of the District of Columbia, by the awarding once each year of 1 gold and 1 silver medal to those 2 members of each department who by outstanding or conspicuous services earned such awards.

The Chairman of the Commissioners' Committee of Award for Valor, Police and Fire Departments, Mr. Robert V. Fleming, has recommended that it be made possible to award one or more silver medals to appropriate recipients due to the fact that in recent years, with the enormous growth of our city, the committee has found great difficulty in the bestowing of the silver medal of valor on only 1 member of each department, especially when the same act of heroism is performed by 2 or more officers of any one department. Mr. Fleming also stated that the Committee felt that there should be only one gold medal for each department, when merited, as is now provided by law.

The Board of Commissioners concur with the views expressed by Mr. Fleming, and recommend favorable action on this legislation.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law in the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

DISTRICT OF COLUMBIA CODE 4-701

(45 Stat. 1556, ch. 696, par. 1)

That for the official recognition of outstanding acts in the line of duty by the members of the police and fire departments of the District of Columbia there shall be awarded annually one gold medal and one [silver medal,] *or more silver medals*, appropriately inscribed, to those [two] members of each department who have by outstanding or conspicuous service earned such awards.

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Calendar No. 2604

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2564

INCREASING THE AREA WITHIN WHICH OFFICERS AND MEMBERS OF THE METROPOLITAN POLICE FORCE AND THE FIRE DEPARTMENT OF THE DISTRICT OF COLUMBIA MAY RESIDE

JULY 13, 1956.—Ordered to be printed

Mr. MCNAMARA, from the Committee on the District of Columbia, submitted the following

REPORT

[To accompany H. R. 2603]

The Committee on the District of Columbia, to whom was referred the bill (H. R. 2603) to increase the area within which officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia may reside, after full consideration, report favorably thereon with amendments and recommend that the bill, as amended, do pass.

The amendments are as follows:

Page 1, line 3, after the word "That" insert "(a)".

Page 1, line 9, strike the word "shall," and insert in lieu thereof "shall, except as otherwise provided in subsection (b) of this section,".

Page 1, line 10, strike "twenty" and insert in lieu thereof "twelve".

Page 2, after line 5, insert the following subsection:

> (b) For the purposes of this Act, the Commissioners of the District of Columbia are hereby authorized, in their discretion, to prescribe the area constituting the "Washington, District of Columbia, metropolitan district" so as to include the District of Columbia and the territory within any radius which is greater than twelve miles but not more than twenty miles from the United States Capitol Building.

Amend the title to read:

> A bill to authorize the Commissioners of the District of Columbia to prescribe the area within which officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia may reside.

The purpose of this bill is to authorize the Commissioners of the District of Columbia, in their discretion, to prescribe the area within

which officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia may reside. Under existing law police and firemen may reside only within a 12-mile radius from the United States Capitol Building; however, your committee has been informed that many of the police and firemen are desirous of securing better housing at a more reasonable rate outside the District of Columbia at points beyond the 12-mile radius. This bill would authorize the Commissioners, in their discretion, to prescribe the area constituting the "Washington, D. C., metropolitan district" so as to include the District of Columbia and the territory within any radius which is greater than 12 miles, but not more than 20 miles from the United States Capitol Building.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law in the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

(Sec. 373, Revised Statutes of the United States relating to the District of Columbia, p. 44)

[There shall be no limitation or restriction of place of residence to any member of the police force, other than residence within the metropolitan police district.]

(D. C. Code 4–132; 49 Stat. 568, ch. 501)

[RESIDENCE OF MEMBERS OF POLICE FORCE.—There shall be no limitation or restriction of place of residence to any member of the police force, other than residence within the Washington, District of Columbia, metropolitan district: *Provided*, That for the purposes of this Act, Washington, District of Columbia, metropolitan district, shall be held to include the District of Columbia and the territory adjacent thereto within a radius of twelve miles from the United States Capitol Building: *And provided further*, That any member of the Police Department living outside of the District of Columbia shall have and maintain a telephone at all times in his residence.]

(37 Stat. 960, ch. 150, second paragraph)

[Hereafter no member of the fire department shall, unless on leave of absence, go beyond the confines of the District of Columbia, or be absent from duty without permission; and leaves of absence exceeding twenty days in any one year shall be without pay and require the consent of the commissioners, and such year shall be from January first to December thirty-first, both inclusive, and thirty days shall be the term of total sick leave in any year without disallowance of pay; and leave of absence with pay of members of the fire department of the District of Columbia may be extended in cases of illness or injury incurred in line of duty, upon recommendation of the board of surgeons approved by the Commissioners of the District of Columbia,

for such period exceeding thirty days in any calendar year as in the judgment of the commissioners may be necessary.]

(D. C. Code 4–409; 49 Stat. 567, ch. 500.)

[RESTRICTIONS ON MEMBERS OF DEPARTMENT LEAVING DISTRICT; LEAVES OF ABSENCE.—No member of the fire department shall, unless on leave of absence, go beyond the confines of the District of Columbia, or be absent from duty without permission, except that nothing in this Act shall be construed to limit the rights of members of the department to reside anywhere within the Washington, District of Columbia, Metropolitan District; and leaves of absence exceeding twenty days in any one year shall be without pay and require the consent of the Commissioners, and such year shall be from January 1 to December 31, both inclusive, and thirty days shall be the term of total sick leave in any year without disallowance of pay; and leave of absence with pay of members of the Fire Department of the District of Columbia may be extended in cases of illness or injury incurred in line of duty, upon recommendation of the board of surgeons approved by the Commissioners of the District of Columbia, for such period exceeding thirty days in any calendar year as in the judgment of the Commissioners may be necessary: *Provided*, That for the purposes of this Act, Washington, District of Columbia, Metropolitan District, shall be held to include the District of Columbia and the territory adjacent thereto within a radius of twelve miles from the United States Capitol Building: *And provided further*, That any member of the fire department living outside the District of Columbia shall have and maintain a telephone at all times in his residence.]

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Calendar No. 2605

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2565

AMENDING THE LAW RELATING TO RESIDENCE OF ASSISTANT ASSESSORS FOR THE DISTRICT OF COLUMBIA

JULY 13, 1956.—Ordered to be printed

Mr. BEALL, from the Committee on the District of Columbia, submitted the following

REPORT

[To accompany S. 2578]

The Committee on the District of Columbia, to which was referred the bill (S. 2578) to amend the law relating to residence of assistant assessors for the District of Columbia, after full consideration, reports favorably thereon without amendment and recommends that the bill do pass.

The purpose of this bill is to amend the law relating to residence of assistant assessors for the District of Columbia, so as to authorize the Commissioners of the District of Columbia to appoint assistant assessors who reside in the metropolitan area, as well as those who reside in the District.

Prior to August 3, 1954, the law required that in order for a person to be appointed a member of the Board of Assistant Assessors for the District, that he must have been a bona fide resident of the District for a period of at least 5 years.

The act of August 3, 1954, relaxed that requirement by permitting two of the total number of assistant assessors to be appointed if they resided in the metropolitan area. That included the District of Columbia and the surrounding counties of Prince Georges and Montgomery in Maryland, and Arlington and Fairfax in Virginia, and the cities of Alexandria and Falls Church in Virginia. Public Law 564 (act of August 3, 1954) was advantageous to the District in that two appointments of qualified persons residing outside the District of Columbia in the metropolitan area were made. However, there are now 2 existing vacancies, and 3 additional positions have been requested in the budget estimates for the fiscal year 1956. Experience has demonstrated that it will be virtually impossible to recruit five qualified persons within the District of Columbia.

The Assessor has made an effort to recruit qualified persons, and has written to the Merchants & Manufacturers Association, the District of Columbia Building & Loan League, Washington Board of Trade, Washington Real Estate Board, and the Washington Real Estate Brokers Association, informing them of the two vacant positions and enlisting their aid in suggesting names of persons who might be interested. However, no applications were received from qualified applicants.

The Board of Commissioners recommend the enactment of this bill, which would permit the appointment as assistant assessors of persons who are conversant with real-estate values in the District of Columbia and who have been bona fide residents of the metropolitan area for a period of at least 5 years.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law in the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

(28 Stat. 282; 68 Stat. 651)

SEC. 2. [The Commissioners of the District of Columbia shall appoint as a permanent board of assistant assessors such persons as are conversant with real estate values in the District of Columbia and who have been bona fide residents of the District for a period of at least five years, except that two of such appointees may be persons who have been bona fide residents of the District of Columbia Metropolitan Area for a period of at least five years.] *The Commissioners of the District of Columbia shall appoint as a permanent board of assistant assessors such persons as are conversant with real-estate values in the District of Columbia and who have been bona fide residents of the District of Columbia metropolitan area for a period of at least five years.* Each person so appointed on said board shall, within ten days after receiving notice thereof, take and subscribe an oath to diligently, faithfully, and impartially perform all and singular the duties imposed upon him by law. If any such appointee shall fail to qualify as aforesaid within the time prescribed, or shall fail to enter upon the discharge of his duties within fifteen days after such qualification, the appointment shall be void, and the commissioners shall forthwith appoint another suitable person, who shall qualify as above provided. And said commissioners are hereby authorized and directed to appoint a clerk for said board of assistant assessors; and said clerk shall also be the clerk for the board of equalization and review hereinafter provided for. For the purposes of this Act, the term "District of Columbia Metropolitan Area" means the District of Columbia, the cities of Alexandria and Falls Church, and the counties of Arlington and Fairfax in Virginia, and the counties of Montgomery and Prince Georges in Maryland.

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Calendar No. 2606

84TH CONGRESS, 2d Session } SENATE { REPORT No. 2566

AMENDING THE ACT ENTITLED "AN ACT TO PROVIDE THAT ALL CABS FOR HIRE IN THE DISTRICT OF COLUMBIA BE COMPELLED TO CARRY INSURANCE FOR THE PROTECTION OF PASSENGERS, AND FOR OTHER PURPOSES," APPROVED JUNE 29, 1938.

JULY 13, 1956.—Ordered to be printed

Mr. BEALL, from the Committee on the District of Columbia, submitted the following

REPORT

[To accompany S. 3887]

The Committee on the District of Columbia, to whom was referred the bill (S. 3887) to amend the act entitled "An Act to provide that all cabs for hire in the District of Columbia be compelled to carry insurance for the protection of passengers, and for other purposes," approved June 29, 1938, after full consideration, reports favorably thereon without amendment and recommends that the bill do pass.

This legislation was requested and recommended by the Public Utilities Commission of the District of Columbia, in order to bring in line the insurance laws for taxicabs (public vehicles for hire) with those of privately operated vehicles. Under existing law (act of June 29, 1938, 52 Stat. 1233) taxicabs are required to be insured only to the limits of $5,000 for bodily injury to or death of 1 person, $10,000 for bodily injury to or death of 2 or more persons, and $1,000 because of damage to or destruction of property.

The Public Utilities Commission informed your committee that since the enactment of the act referred to above, the number of taxicabs licensed to operate in the District of Columbia had more than doubled and that the number of accidents had greatly increased. Also, the cost of repairs for damage to property, and the cost of care for bodily injury has increased far beyond the limits provided in the original act.

This bill would increase the limits of liability to $10,000 for bodily injury to or death of 1 person in any 1 accident, and $20,000 for bodily injury to or death of 2 or more persons in any 1 accident, and $5,000 because of damage to or destruction of property. The limits proposed by this legislation are the same as those required by the Motor Vehicle

Safety Responsibility Act of the District of Columbia, and are in line with those of adjoining States.

The bill also provides that the Public Utilities Commission would be given authority, after notice and hearing, to determine whether an owner who is self-insured would continue to be financially responsible for judgments obtained against him, and, in the event an adverse determination is reached, to require the filing of a bond or policy of insurance in lieu of the deposit.

The Board of Commissioners of the District of Columbia recommend enactment of this legislation.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law in the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brakets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

[52 Stat. 1233; 56 Stat. 1051]

That the Public Utilities Commission of the District of Columbia is hereby directed to require any and all corporations, companies, associations, joint-stock companies or associations, partnerships, and persons, their lessees, trustees, or receivers, appointed by any court whatsoever, operating, controlling, managing, or renting any passenger motor vehicles for hire in the District of Columbia, except as to operations licensed under paragraph 31 (b) of the Act approved July 1, 1932, known as the "License Act", and except such common carriers as have been expressly exempted from the jurisdiction of the Commission, to file with the Commission for each motor vehicle to be operated a bond or bonds, policy or policies, of liability insurance or certificate of insurance in lieu thereof in a solvent and responsible surety or insurance company authorized to do business in the District of Columbia, conditioned for the payment to any person of any judgment recovered against such corporations, companies, associations, joint-stock companies or associations, partnerships, and persons, their lessees, trustees, or receivers, appointed by any court whatsoever, or renters of their cabs, for death or for injury to any person or injury to any property, or both, caused in the operation, maintenance, use, or by reason of the defective construction of such motor cabs or other vehicles. [Any such bond or undertaking or policy of liability insurance shall be in such form and on such terms or conditions as the Commission may direct: *Provided*, That such bond or policy may limit the liability of the surety or insurer on any one judgment to $5,000 for bodily injuries or death and $1,000 for damage to or destruction of property, and all judgments recovered upon claims arising out of the same subject of action to $10,000 for bodily injuries or death and $1,000 for damages to or destruction of property, to be apportioned ratably among the judgment creditors according to the amount of their respective judgments.] *Any such bond shall be in such form and on such terms and conditions as the Commission may direct. The liability of the surety or insurer under such bond or policy shall be subject to a limit, exclusive of interest and costs, of not less than*

$10,000 because of bodily injury to or death of one person in any one accident and, subject to said limit for one person, to a limit of not less than $20,000 because of bodily injury to or death of two or more persons in any one accident, and if the accident has resulted in damage to or destruction of property, to a limit of not less than $5,000 because of damage to or destruction of property of others in any one accident. Any such policy of liability insurance shall be issued only by such insurance companies as may have been authorized to do business in the District of Columbia, and any such bond or undertaking shall be secured by a corporate surety approved by the Superintendent of Insurance of the District of Columbia. No such insurance company or corporate surety shall engage in or conduct the business of insuring or bonding any risk arising out of the operation of any passenger motor vehicle for hire required to be insured or bonded under this Act unless the Superintendent of Insurance shall find that the management of such company is capable, by experience or otherwise, of conducting such business in the public interest and unless such insurance company or corporate surety shall possess a certificate of approval issued by said Superintendent for such business. Every such insurance company or corporate surety, whether or not it shall be a mutual company, shall have and shall at all times maintain reserves for losses, unearned premiums, and all other liabilities as will meet the requirements of any regulation issued by the Superintendent of Insurance and applicable to such company or such classifications of companies. The Superintendent of Insurance shall be empowered to make reasonable rules and regulations governing the writing of such insurance and the making of such bonds and the business of insuring or bonding such risks, including the expenses of management, administration, and acquisition of business and the rates to be charged. The Superintendent of Insurance is authorized and empowered, after hearing, to withdraw his certificate of approval of the business of insuring or bonding taxicab risks of any insurance company or corporate surety violating any provision of this Act or of the rules and regulations promulgated hereunder. No such bond or policy of insurance may be canceled unless not less than twenty days prior to such cancelation or termination notice of intention so to do has been filed in writing with the Commission unless cancelation is for nonpayment of premiums, in which event five days' notice as above provided shall be given. It shall be unlawful to operate any vehicle subject to the provisions of this paragraph unless such vehicle shall be covered by an approved bond or policy of liability insurance as provided herein. The Public Utilities Commission shall have the power to make all reasonable rules and regulations which, in its opinion, are necessary to make effective the purposes of this section.

Any owner of a public vehicle required hereby to file a bond or policy of insurance may, in lieu thereof:

(a) File with the Public Utilities Commission a blanket bond, or a blanket policy of liability insurance, in an amount to be approved by said Commission, but not to exceed $75,000, conditioned as required by this chapter, and covering all vehicles lawfully displaying the trade name or identifying the design of any individual, association, company or corporation.

(b) Create and maintain a sinking fund in such amount as the Public Utilities Commission may require, but not in excess of $75,000,

and deposit the same, in trust, for the payment of any judgment recovered against such owner, as provided in this chapter, with such person, official or corporation as said commission shall designate.

Provided, That should any such owner elect to comply with the provisions of paragraphs (a) or (b) of this section, such owner shall first file with the Public Utilities Commission an admission of liability, in conformity with the principle of [respondent] *respondeat* superior for the tortious acts of the driver or drivers of such vehicle or vehicles aforesaid as shall be driven with the trade name or identifying design of such owner.

Such sinking fund shall not be created unless the Commission is satisfied that such owner is possessed and will continue to be possessed of financial ability to pay judgments obtained against such owner. If such a fund has been created, the Commission shall have authority to require whatever evidence of such owner's financial status may be necessary to satisfy the Commission that such owner is possessed and will continue to be possessed of financial ability to pay judgments obtained against such owner, and may at such time or times as, in its discretion, may be necessary require such owner to submit in affidavit form detailed information from which such ability may be determined.

When upon not less than five days' notice and a hearing pursuant to such notice the Commission finds that any such owner having created and maintained a sinking fund is not possessed or probably will not continue to be possessed of financial ability to pay judgments obtained against such owner the Commission shall require that said owner file with the Commission a bond or policy of insurance as described herein in lieu of such sinking fund and shall thereafter return to the owner the amount of such sinking fund when the Commission is satisfied that the maintenance thereof is not needed to assure the payment of any claim or judgment then outstanding against such owner. Failure to pay any judgment within 30 days after such judgment shall have become final shall constitute a reasonable ground for a finding by the Commission that the owner is not possessed of financial ability to pay judgments.

Any cash or collateral deposit and/or any sinking fund herein provided for shall be exempt from attachment or levy for any obligation or liability of the depositor thereof, save as herein provided.

Within the meaning of this paragraph, the word "owner" shall include any corporation, company, association, joint-stock company or association, partnership or person, and the lessees, trustees or receivers appointed by any court whatsoever, permitting his, their or its trade name and/or identifying design to be displayed upon vehicles governed by this section.

Any violation of this section or of the regulations lawfully promulgated thereunder shall be deemed a misdemeanor and upon conviction shall be punishable by a fine of not more than $300 or by imprisonment for not more than ninety days, and/or cancelation of license.

This section shall become effective sixty days after final passage.

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Calendar No. 2607

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2567

AMENDING THE ACT ENTITLED "AN ACT TO GRANT ADDITIONAL POWERS TO THE COMMISSIONERS OF THE DISTRICT OF COLUMBIA, AND FOR OTHER PURPOSES", APPROVED DECEMBER 20, 1944, AS AMENDED

JULY 13, 1956.—Ordered to be printed

Mr. BEALL, from the Committee on the District of Columbia, submitted the following

REPORT

[To accompany S. 3889]

The Committee on the District of Columbia, to whom was referred the bill (S. 3889) to amend the act entitled "An Act to grant additional powers to the Commissioners of the District of Columbia, and for other purposes," approved December 20, 1944, as amended, after full consideration, reports favorably thereon without amendment, and recommends that the bill do pass.

The purpose of this bill is to amend the act of December 20, 1944 (to grant additional powers to the Commissioners of the District of Columbia) so as to authorize the Commissioners to perform the following functions:

(1) To purchase and sell (or, in certain limited cases, to give away) copies of various municipal regulations, and establish a fund, without fiscal-year limitation, from which the cost of procuring, handling and mailing municipal publications will be defrayed and into which the receipts from the sale of such publications will be paid.

(2) To make advance payments to Federal agencies for supplies to be furnished or work to be performed in accordance with agreements between the Commissioners and such agencies.

(3) Empower the Commissioners to authorize the several departments, establishments, bureaus, and offices of the government of the District of Columbia to place orders with other agencies of the District, and to make payment for such orders either in advance or on a reimbursement basis.

The District of Columbia, as is the case with any large municipal government, must, for the benefit of the public, the courts, and the officers and employees of the District, make available in printed form the regulations which have been adopted by the Commissioners. Certain of these regulations, as in the case of the Building Code, the

Electrical Code, and the Police regulations, are in the form of complete volumes consisting of a large number of pages, printed at considerable expense to the District. Accordingly, when such publications are made available to members of the public, a charge is made therefor to recover the cost to the District. Moreover, since the amendments of these regulations are likewise voluminous, the District makes a charge for the service of furnishing such amendments.

Under existing law, it is necessary that the cost of reproducing each particular set of regulations and the amendments thereto be paid out of the appropriation of the District department charged with the administration of such regulations. The receipts from the sale of such regulations, however, are deposited to the credit of the General Fund of the District of Columbia, and such receipts do not continue available for the reproduction of regulations to replace those which are sold.

In order to provide readily available funds for the reproduction and distribution of District publications, this legislation would authorize the establishment of a revolving fund not subject to fiscal year limitation, with an initial working capital of $50,000, into which shall be paid receipts from the sale of all District publications and from which the cost of reproducing, procuring, handling, and mailing such publications may be defrayed.

Under existing law, there is no authority for the District to make advance payments to the Federal Government for supplies to be furnished or work to be performed. Frequently therefore, the District is unable to enter into an agreement with the Federal Government for the furnishing of supplies and work, to the District's disadvantage. This bill would amend present law so as to authorize such advance payments to the Federal Government.

This bill would also authorize the Commissioners to advance funds between appropriations of District departments, subject to adjustment upon a determination of actual cost, as a means of providing for the more expeditious handling of transactions between the various departments of the District government.

The Board of Commissioners recommend enactment of this legislation.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law in the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

(58 Stat. 819)

That the Commissioners of the District of Columbia are authorized and empowered within their discretion—

(a)—In accordance with such regulations as they may make, to provide for the waiver of payment by any person in the military service of the United States of any annual or other periodic fee required by law to be paid to the District of Columbia or to any District of Columbia board or commission as a condition to retaining or renewing any license or permit to engage in any business or calling or to practice any profession in the District of Columbia.

(b) To make, adopt, and enforce regulations requiring persons, firms, and corporations, other than utility companies, engaged within the District of Columbia in the business of plumbing or gas fitting, or of installing, maintaining, or repairing heating, ventilating, air-conditioning, or mechanical refrigerating apparatus, equipment, appliances, systems, or parts thereof, or of installing, maintaining, or repairing apparatus, equipment, fixtures, appliances, or wiring, using or conducting electric current, to furnish and keep in force a bond running to the District of Columbia with corporate surety authorized by the Secretary of the Treasury to do business pursuant to section 3 of the Act of August 13, 1894 (28 Stat. 279), as amended (U. S. C., title 6, sec. 8), and by the Insurance Department of the District of Columbia to do business in the District of Columbia in an amount not exceeding $5,000, conditioned upon the performance in accordance with law and regulations in force in the District of Columbia of all such work undertaken by such person, firm, or corporation, and to keep the District of Columbia harmless from the consequences of any and all acts performed by said person, firm, or corporation in connection with such business during the period covered by the said bond.

The surety on any such bond may terminate its liability under such bond by giving thirty days' written notice thereof, served either personally or by registered mail, to the principal and to the Commissioners; and upon giving such notice the surety shall be discharged from all liability under such bond for any act or omission of the principal occurring after the expiration of thirty days from the date of service of such notice. Unless on or before the expiration of such period the principal shall duly file a new bond in like amount and conditioned as the original in substitution of the bond so terminated, the license of the principal to engage in such business shall likewise terminate upon the expiration of such period Upon making any payment on account of its bond, the surety shall immediately notify the Commissioners.

In the event the surety becomes insolvent or a bankrupt, or ceases to be authorized by the Secretary of the Treasury to do business pursuant to section 3 of the Act of August 13, 1894 (28 Stat. 279), as amended (U. S. C., title 6, sec. 8), or by the Insurance Department of the District of Columbia, to do business in the District of Columbia, the principal shall, within ten days after notice thereof, given by the Commissioners duly file a new bond in like amount and conditioned as the original and if the principal shall fail to do so the license of such principal shall terminate. If a recovery be had on any bond the principal shall restore the bond to its original amount.

Any person aggrieved by the violation of any law or regulation in force in the District of Columbia relating to such business shall have, in addition to his right of action against said person, firm, or corporation, a right to bring suit against the surety on said bond, either alone or jointly with the principal thereon, and to recover in an amount not exceeding the penalty of the bond any damages sustained by reason of any act, transaction, or conduct of the principal which is in violation of law or regulation in force in the District of Columbia relating to such business: *Provided, however,* That nothing in this section shall be construed to impose upon the surety on any such bond a greater liability than the total amount thereof or the amount remain-

ing unextinguished by any prior recovery or recoveries as the case may be.

The Commissioners shall furnish to anyone applying therefor a certified copy of any such bond filed with them upon payment of a fee to be fixed by the Commissioners therefor, and such certified copy shall be prima facie evidence in any court that such bond was duly executed and delivered by the person, firm, or corporation whose name appears therein.

The Commissioners are further authorized to provide, in accordance with such regulations as they may prescribe, for the examination of the qualifications and fitness of all applicants for licenses to engage in any of the businesses herein enumerated by a board, consisting of not less than two persons who have been actively engaged in the District of Columbia for at least five years next preceding their appointment in the business for which license is sought (one of whom shall have been an owner or manager and one of whom shall have been an employee competent to superintend the performance of work) and not less than one official of the District of Columbia, appointed by the said Commissioners: *Provided*, That nothing herein shall repeal existing law relating to the examination and licensing of master plumbers and gas fitters.

(c) To rent any building or land belonging to the District of Columbia or under the jurisdiction of the Commissioners, or any available space therein, whenever such building or land, or space therein, is not then required for the purpose for which it was acquired, and to rent any used personal property belonging to the District of Columbia which is not then needed for the purpose for which it was acquired: *Provided*, That nothing contained in this paragraph shall have the effect of changing in any manner Public Law Numbered 732, Seventy-fourth Congress, entitled "An Act to authorize the operation of stands in Federal buildings by blind persons, to enlarge the economic opportunities of the blind, and for other purposes", approved June 20, 1936.

(d) To grant revocable permits upon such terms, conditions, bonds, and rentals as the Commissioners may impose for the construction of tunnels, and the laying of conduits and pipes in the alleys, streets, and avenues in the District of Columbia under the jurisdiction of the Commissioners.

(e) To suspend, with or without pay, any officer or employee appointed by them and, under such rules or regulations as they may prescribe, to delegate this power to any officers or employees of the District of Columbia.

(f) To name highways and to name and change the name of any circle, bridge, building, or other public place or property in the District of Columbia under the jurisdiction of the Commissioners, and after public hearing to change the name of any highway under the jurisdiction of said Commissioners.

(g) To fix, assess, and collect fees for copies of orders, regulations, permits, certificates, and transcripts of records furnished by the District of Columbia, such fees to be paid to the Collector of Taxes and deposited in the Treasury of the United States to the credit of the District of Columbia.

(h) Where not otherwise specifically provided, to prescribe a penalty upon conviction of a violation of any rule or regulation authorized

by this Act by a fine of not more than $300 or imprisonment of not more than ninety days.

(i) (1) To purchase and sell maps, regulations, and regulation manuals of the District of Columbia, and amendments thereof, including binders therefor, at such prices as the Commissioners or their designated agent may from time to time determine to be necessary to approximate the cost thereof, including the cost of distribution. All receipts from the sale of such maps, regulations, and regulation manuals shall be deposited into a fund which is hereby established, to be known as the "District of Columbia Publications Fund", which funds shall be available without fiscal year limitation for all necessary costs connected with the procurement, publication, and distribution of such maps, regulations, and regulation manuals, including postage, but not including personal services. There is hereby authorized to be appropriated from the revenues of the District of Columbia $50,000 to provide working capital, which sum shall be deposited to the credit of the fund established by this section, and receipts from the sale of maps, regulations, and regulation manuals shall likewise be deposited to the credit of such fund: Provided, That as soon as practicable after the close of each fiscal year, after provision has been made for payment of all obligations then incurred, the amount in such fund in excess of $50,000 shall be deposited to general revenues of the District of Columbia.

(2) To issue the aforesaid maps, regulations, and regulation manuals, without charge, to officers and employees of the governments of the United States and the District of Columbia, to State, municipal, and foreign governments, and to institutions of research and learning; and to delegate to the heads of departments and agencies of the government of the District of Columbia the authority likewise to make the distribution authorized by this paragraph of such of the aforesaid maps, regulations, and regulation manuals as may be purchased by such departments and agencies. Maps, regulations, and regulation manuals to be distributed under the authority of this paragraph shall be supplied to the office, department, or agency of the District of Columbia proposing to make such distribution only upon payment by such office, department, or agency of the cost thereof.

(j) To place orders, if they determine it to be in the best interest of the District of Columbia, with any Federal department, establishment, bureau, or office for materials, supplies, equipment, work, or services of any kind that such Federal agency may be in a position to supply or be equipped to render, by contract or otherwise, and shall pay promptly by check to such Federal agency, upon its written request, either in advance or upon furnishing or performance thereof, all or part of the estimated or actual cost thereof as determined by such department, establishment, bureau, or office as may be requisitioned; but proper adjustments on the basis of the actual cost of the materials, supplies, or equipment furnished or work or services performed, paid for in advance, shall be made as may be agreed upon by the departments, establishments, bureaus, or offices concerned. Orders placed as provided in this subsection shall be considered as obligations upon appropriations in the same manner as orders or contracts placed with private contractors.

(k) To authorize any department, office or agency of the District of Columbia government, when it is determined to be in the best interest of the District of Columbia so to do, to place orders with any other department, office or agency of the District for materials, supplies, equipment, work or services of any kind that such requisitioned department, office or agency may be in a position to supply or equipped to render. The

department, office or agency placing any such orders shall either advance, subject to proper adjustment on the basis of actual cost, or reimburse, such department, office or agency the actual cost of materials, supplies or equipment furnished or work or services performed as determined by such department, office or agency as may be requisitioned. Orders placed as provided in this subsection shall be considered as obligations upon appropriations in the same manner as orders or contracts placed with private contractors.

(36 Stat. 208)

DISTRICT OF COLUMBIA

Contingent and miscellaneous expenses: To reimburse the appropriation for contingent expenses of the government of the District of Columbia for the fiscal year nineteen hundred and ten, for cost of printing building regulations of the District of Columbia, seven hundred and sixty-eight dollars and nine cents.

[Hereafter the Commissioners of the District of Columbia are authorized to issue at not less than cost price and ten per centum thereof added, copies of building and other regulations of said District, and all moneys received from sale of said regulations shall be paid into the Treasury of the United States to the credit of the District of Columbia and the United States in equal parts.]

(36 Stat. 1299)

MISCELLANEOUS EXPENSES, SUPREME COURT: * * *

[The Commissioners of the District of Columbia are authorized hereafter to issue, in their discretion, without charge, to officers and the judiciary of the government of the District of Columbia, and to other officers of the Government, and to institutions of learning, and to State and city officials, by way of documentary exchange, copies of building, police, plumbing, and other municipal regulations made and published by them in their official capacity, not exceeding in all one hundred copies, and the remainder of such publications shall only be disposed of by sale at not less than the cost price and ten per centum thereof; and all moneys received from the sale of said regulations shall be paid into the Treasury of the United States to the credit of the District of Columbia and the United States in equal parts.]

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Calendar No. 2608

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2568

REGULATING AND LICENSING PAWNBROKERS IN THE DISTRICT OF COLUMBIA

JULY 13, 1956.—Ordered to be printed

Mr. BEALL, from the Committee on the District of Columbia, submitted the following

REPORT

[To accompany H. R. 11002]

The Committee on the District of Columbia, to whom was referred the bill (H. R. 11002) to regulate and license pawnbrokers in the District of Columbia, after full consideration, report favorably thereon without amendment and recommend that the bill do pass.

The purpose of this bill is to regulate and license pawnbrokers in the District of Columbia. The term "pawnbroker," as defined in the bill, means any person who shall in any manner lend or advance money or other things for profit on the pledge and possession of personal property or other valuable thing, other than securities or written or printed evidences of indebtedness or who deals in the purchasing of personal property or other valuable thing on condition of selling the same back again at a stipulated price.

In essence, this bill is a copy of the original Pawnbroker Act for the District of Columbia, approved March 2, 1889 (25 Stat. 1006) as amended March 3, 1891 (26 Stat. 841). From 1889 to 1913 pawnbrokers were licensed and carried on business in the District; however, during that same period unlicensed money lenders carried on a very extensive business in the District, charging exorbitant rates of interest on small loans. The voracity of these unlicensed lenders was so great that the public demanded relief, and the act of February 4, 1913 (37 Stat. 657) was enacted primarily to drive the unlicensed money lenders out of the District by reducing the authorized interest rate on small loans to 1 percent per month on loans of $200 or less. In the case of *Newman ex rel Prender* v. *United States* (41 App. D. C. 37), the Court of Appeals of the District of Columbia held that the act of 1913 repealed by implication the Pawnbrokers Act of 1889 and that since the 1913 act authorized the making of loans on collateral security of any kind, tangible or intangible, it covered the pawnbroker

business as well as the small-loan business. The net effect of the act of 1913 was to drive legitimate capital out of the District of Columbia so far as small loans and the pawnbroker business are concerned, with the result that persons who would otherwise have patronized licensed lenders were driven to unlicensed, high-rate lenders in the district or to licensed lenders outside of the District.

The Commissioners of the District believe that many more persons would be licensed to engage in the pawnbroking business if, as this bill would provide, the interest rates were made more realistic in the light of the nature of the business and the risks involved.

Testimony by representatives of the Metropolitan Police Department showed that the police department for many years has been relying heavily upon evidence secured from so-called pawnbrokers (in fact dealers in secondhand property) for evidence of larceny and other felonies committed in the District of Columbia. A number of serious crimes, including murder, have been solved with evidence the starting point of which was the tracing of personal property which had been pawned. It was also pointed out that many secondhand dealers are actually engaged in the pawnbroking business, by the process of entering into agreements with persons selling them secondhand personal property to sell the same property back to the seller at stipulated higher prices, the difference of course, representing interest at astronomical rates. The police department requested section 11 (b) and section 11 (d) so that they would have more effective control over any stolen articles.

An analysis of the bill by sections is as follows:

Section 1 of H. R. 11002 contains definitions of terms used in the bill.

Section 2 prohibits engaging in business as a pawnbroker without first obtaining a license from the Commissioners. It further prohibits the use of the word "pawnbroker" or the display of any symbol commonly used by pawnbrokers by any unlicensed business.

Section 3 sets forth qualifications for license, including the requirement that applicants have available for use in the business of making loans cash capital of at least $20,000.

Section 4 requires applicants to file a bond running to the District in the sum of $5,000 conditioned upon the compliance by the applicant with provisions of the act and all rules and regulations made pursuant thereto. It authorizes any person injured by noncompliance with law or regulation by a licensee to maintain suit in his own name and recover on the bond such damages as shall be adjudged.

Section 5 provides that after investigation and after satisfying the Commissioners of his qualifications the license shall be issued to the applicant and that the license fee shall be $500.

Section 6 provides for the revocation, suspension, and renewal of licenses.

Section 7 imposes upon the Commissioners the duty of enforcing the act; authorizes the Commissioners to investigate the business and records of licensees and authorizes the Commissioners to require by subpena the production of books, papers, and records and the attendance, and examination under oath, of all persons whose testimony they may require relative to loans of business or licensees.

Section 8 prohibits false or misleading advertising respecting the pawnbroker business.

Section 9 is the interest section. It directs the District Commissioners to investigate from time to time the economic conditions and other factors relating to the business of making pawnbroker loans; to ascertain pertinent facts necessary to determine what maximum rate of interest may be permitted upon the basis of such ascertained facts and to fix by regulation the maximum rate of interest on pawnbroker loans which will induce efficiently managed commercial capital to be invested in such business in sufficient amounts to make available adequate facilities to individuals seeking such loans at reasonable rates of interest and which will afford those engaged in such business a fair and reasonable return upon the assets.

Pending the determination of such rates by the Commissioners, the bill authorizes pawnbrokers to charge not exceeding 2 percent per month, or fraction thereof, upon any loan not exceeding $200, or more than 1 percent per month, or fraction thereof, upon any loan exceeding $200 and not exceeding $1,000, and 8 percent per annum (the maximum statutory rate now in effect) on any loan in excess of $1,000.

Section 10 prohibits the charging of interest in excess of the existing statutory rate of 6 percent per annum, or 8 percent per annum upon an instrument in writing, by any person except a licensee under the act and declares invalid any instrument evidencing a loan made in the District in violation of the provisions of the bill.

Section 11 requires every pawnbroker to record in a book at the time of each loan an accurate account and description of the goods pawned, the amount of money loaned thereon, the time of pledging the same, and the rate of interest to be paid on such loan, the name and residence of the person pawning such goods together with a description of such person; requires that the book at all reasonable times be open to inspection by the Commissioners, and prohibits disclosure by any officer of the District of entries in such book to any person other than an official having a right thereto in his official capacity.

Section 12 requires every pawnbroker at the time of each loan to deliver to any person pawning any goods a memorandum signed by him containing the substance of the entry required to be made by him in this book.

Section 13 prohibits any pawnbroker from selling any pawned article until the same has remained 1 year in his possession, unless with the consent of the pawner. It also provides that all sales shall be made at public auction and shall be made or conducted by licensed auctioneers.

Section 14 requires that notice of every such sale be published at least 6 days prior thereto in 1 or more daily newspapers printed in the District, such notice to specify the time and place where such sale is to take place, the name of the auctioneer and a description of the article to be sold. In addition the pawnbroker is required to mail to the pawner a copy of such notice.

Section 15 provides that the surplus money, if any, arising from any such sale, after deducting the interest then due and the expenses of advertising any such sale, shall be paid over by the pawnbroker to the person who would be entitled to redeem the pledge in case no such sale had taken place.

Section 16 provides penalties for violation of the act of fine of not more than $300 or imprisonment for not more than 90 days; declares that any contract of loan from which any act shall have been done

which constitutes a violation of the bill shall be void and that the lender shall have no right to collect or receive any principal or charges whatsoever on account thereof.

Section 17 authorizes the Commissioners to make and enforce such regulations as they deem necessary to carry out the purposes of the act.

Section 18 exempts from application of the act, firms, stock companies and credit unions doing business in the District of Columbia under the supervision of the Federal Reserve System, Comptroller of the Currency, Federal Deposit Insurance Corporation, the Home Loan Bank Board, the Federal Savings and Loan Insurance Corporation, or the Department of Health, Education, and Welfare, or to loans made by them.

Section 19 repeals the act of February 4, 1913, as amended, insofar as the same applies to the business of lending money on the security of pledge and possession of tangible personal property.

Section 20 provides if any provision of the act be held invalid the remainder of the act shall not be affected thereby.

Section 21 provides that the act shall take effect at the expiration of 60 days after the date of its approval.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law in the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

(37 Stat. 657, ch. 26)

[That it shall be unlawful and illegal to engage in the District of Columbia in the business of loaning money upon which a rate of interest greater than six per centum per annum is charged on any security of any kind, direct or collateral, tangible or intangible, without procuring license; and all persons, firms, voluntary associations, joint-stock companies, incorporated societies, and corporations engaged in said business shall pay a license tax of five hundred dollars per annum to the District of Columbia. No license shall be granted to any person, firm, or voluntary association unless such person and the members of any such firm, or voluntary association shall be bona fide residents of the District of Columbia, and no license shall be granted for a period longer than one year, and no license shall be granted to any joint-stock company, incorporated society, or corporation unless and until such company, society, or corporation shall, in writing and in due form, to be first approved by and filed with the commissioners of the District of Columbia, appoint an agent, resident in the District of Columbia, upon whom all judicial and other process or legal notice directed to such company, society, or corporation may be served. And in the case of death, removal from the District, or any legal disability or disqualification of any such agent, service of such process or notice may be made upon the Superintendent of Licenses of the District of Columbia.

[SEC. 2. That applications for license to conduct such business must be made in writing to the Commissioners of the District of Columbia, and shall contain the full names and addresses of appli-

cants, if natural persons, and in the case of firms and voluntary associations, the full names and addresses of all the members thereof, and in the case of joint-stock companies, incorporated societies, and corporations, the full names and addresses of the officers and directors thereof and under what law or laws organized or incorporated, and the place where such business is to be conducted, and such other information as the said commissioners may require. Every license granted shall date from the first of the month in which it is issued and expire on the 31st day of the following October, and such license shall be kept conspicuously displayed in the place of business of the licensee. Every application shall be filed not less than thirty days prior to the granting of such license, and notice of the filing of such application shall be posted in the office of the Superintendent of Licenses of the said District and be published twice a week for three successive weeks in a daily newspaper published in the District of Columbia. Protest may be made by any person to the issuing of such license, and when such protests are filed with the said commissioners the latter shall give public notice of and hold a public hearing upon such protests before issuing such license. The said commissioners shall have the power to reject any application for license after a hearing upon such protest or for failure on the part of the applicant to observe this chapter, or when such applicant shall have violated its provisions.

[SEC. 3. That each application shall be accompanied by a bond to the District of Columbia in the penal sum of five thousand dollars, with two or more sufficient sureties, and conditioned that the obligor will not violate any law relating to such business. The execution of any such bond by a fidelity or surety company authorized by the laws of the United States to transact business therein shall be equivalent to the execution thereof by two sureties, and such company, if excepted to, shall justify in the manner required by law of fidelity and surety companies. If any person shall be aggrieved by the misconduct of any such licensed person, firm, voluntary association, joint-stock company, incorporated society, or corporation, or by his, their, or its violation of any law relating to such business, and shall recover a judgment therefor, such person or his personal representative or heirs or distributees may, after a return unsatisfied either in whole or in part of any execution issued upon such judgment, maintain an action in his own name upon such bond herein required in any court having jurisdiction of the amount claimed. The commissioners of the District of Columbia shall furnish to anyone applying therefor a certified copy of any such bond filed with them, upon the payment of a fee of twenty-five cents, and such certified copy shall be prima facie evidence in any court that such bond was duly executed and delivered by the person, firm, voluntary association, joint-stock company, incorporated society, or corporation whose names appear thereon. Said bond shall be renewed and refiled annually in October of each year, or the licensed person, firm, voluntary association, joint-stock company, incorporated society, or corporation shall within thirty days thereafter, cease doing business, and their license shall be revoked by the said commissioners, but said bond until renewed and refiled as aforesaid shall be and remain in full force and effect.

[SEC. 4. That every person, firm, voluntary association, joint-stock company, incorporated society, or corporation conducting such business shall keep a register, approved by said commissioners, showing

in English, the amount of money loaned, the date when loaned and when due, the person to whom loaned, the property or thing named as security for the loan, where the same is located and in whose possession, the amount of interest, all fees, commissions, charges, and renewals charged, under whatever name. Such register shall be open for inspection to the said commissioners, their officers and agents, on every day, except Sundays and legal holidays, between the hours of nine o'clock in the forenoon and five o'clock in the afternoon. Every such person, firm, voluntary association, joint-stock company, incorporated society, or corporation conducting such business shall, on or before the 20th day of January of each year, make to the said commissioners an annual statement in the form of a trial balance of its books on the 31st day of December in each year, specifying the different kinds of its liabilities and the different kinds of its assets, stating the amount of each, together with such other information as may be called for.

[SEC. 5. That no such person, firm, voluntary association, joint-stock company, incorporated society, or corporation shall charge or receive a greater rate of interest upon any loan made by him or it than one per centum per month on the actual amount of the loan, and this charge shall cover all fees, expenses, demands, and services of every character, including notarial and recording fees and charges, except upon the foreclosure of the security. The foregoing interest shall not be deducted from the principal of loan when same is made. Every such person, firm, voluntary association, joint-stock company, incorporated society, or corporation conducting such business shall furnish the borrower a written, typewritten, or printed statement at the time the loan is made, showing in English, in clear and distinct terms, the amount of the loan, the date when loaned and when due, the person to whom the loan is made, the name of the lender, the amount of interest charged, and the lender shall give the borrower a plain and complete receipt for all payments made on account of the loan at the time such payments are made. No such loan greater than two hundred dollars shall be made to any one person: *Provided*, That any person contracting, directly or indirectly, for, or receiving a greater rate of interest than that fixed in this chapter, shall forfeit all interest so contracted for or received; and in addition thereto shall forfeit to the borrower a sum of money, to be deducted from the amount due for principal, equal to one-fourth of the principal sum: *And provided further*, That any person in the employ of the Government who shall loan money in violation of the provisions of this chapter shall forfeit his office or position, and be removed from the same.

[SEC. 6. That complaints against any licensee or applicant for a license shall be made in writing to the said commissioners, and notice thereof of not less than three days shall be given to said licensee or applicant by serving upon him a concise statement of the facts constituting the complaint, and a hearing shall be had before the said commissioners within ten days from the date of the filing of the complaint, and no adjournment shall be taken for longer than one week. A daily calendar shall be kept of all hearings by the said commissioners, which shall be posted in a conspicuous place in their public office for at least three days before the date of such hearings. The said commissioners shall render their decision within eight days from the time the matter is finally submitted to them. Said commissioners shall

keep a record of all such complaints and hearings, and may refuse to issue and shall suspend or revoke any license for any good cause shown, within the meaning and purpose of this chapter; and when it is shown to their satisfaction, whether as a result of a written complaint as aforesaid or otherwise, that any licensee or applicant under this chapter either before or after conviction, is guilty of any conduct in violation of this or any law relating to such business it shall be the duty of the said commissioners to suspend or revoke the license of such licensee or reject the petition of the applicant, but notice of the written complaint or proposed action shall be presented to and reasonable opportunity shall be given said licensee or applicant to be heard in his defense. Whenever for any cause such license is revoked, said commissioners shall not issue another license to said licensee until the expiration of at least one year from the date of revocation of such license, and not at all if such licensee shall have been convicted of a violation of this chapter under the provisions of the following sections thereof.

[SEC. 7. That any violation of this chapter shall be punished by a fine of not less than twenty-five dollars and not greater than two hundred dollars, or by imprisonment in the jail or the workhouse of the District of Columbia for not less than five nor more than thirty days, or by both such fine and imprisonment, in the discretion of the court. The said commissioners shall cause the corporation counsel to institute criminal proceedings for the enforcement of this chapter before any court of competent jurisdiction.

[SEC. 8. That in any foreclosure on any loan made under this chapter no charges for attorneys' or agents' fees shall be made or collected which will exceed ten per centum of the amount found due in such foreclosure proceedings.

[SEC. 9. That in any contract made in pursuance of the provisions of this chapter it shall be unlawful to incorporate any provision for liquidated or other damages as a penalty for any default or forfeiture thereunder.

[SEC. 10. That nothing contained in this chapter shall be held to apply to the legitimate business of national banks, licensed bankers, trust companies, savings banks, building and loan associations, or real estate brokers, as defined in the Act of Congress of July first, nineteen hundred and two.

[SEC. 11. That the enforcement of this chapter shall be intrusted to the Commissioners of the District of Columbia, and they are hereby authorized and empowered to make all rules and regulations necessary in their judgment for the conduct of such business and the enforcement of this chapter in addition hereto and not inconsistent herewith.]

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Calendar No. 2609

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2569

AMENDING THE DISTRICT OF COLUMBIA TRAFFIC ACT

JULY 13, 1956.—Ordered to be printed

Mr. BEALL, from the Committee on the District of Columbia, submitted the following

REPORT

[To accompany H. R. 11488]

The Committee on the District of Columbia, to whom was referred the bill (H. R. 11488) to amend the District of Columbia Traffic Act, 1925, as amended, after full consideration, report favorably thereon without amendment and recommend that the bill do pass.

The purpose of this bill is to amend the District of Columbia Traffic Act so as to correct certain inequities in the act. Under present law, there is levied against the issuance of a certificate of title for a motor vehicle or trailer an excise tax of 2 percent of the value of such vehicle or trailer. On occasion, however, a person may purchase a motor vehicle, acquire title, and pay the necessary 2 percent excise tax, only to discover a short time later that the car is defective to the extent that the dealer will replace it with another vehicle. Existing law provides that the 2 percent excise tax must also be paid on the fair market value of the replacement vehicle. This has the effect of requiring the unfortunate motor vehicle owner who has purchased a defective motor vehicle to pay double the amount of excise which ordinarily would be paid on such vehicle. The proposed amendment of the Traffic Act would furnish relief to any such motor vehicle purchaser by requiring him to pay only that amount which is equal to a 2-percent tax on the fair market value of the replacement vehicle, so that in effect he is relieved from paying the excise tax on the defective vehicle which was returned to the dealer.

Another change the bill would make in the Traffic Act is the elimination of the word "District" in the section pertaining to learner's permit. Under existing law, the presence of the word "District" makes it illegal for the holder of a learner's permit to operate a motor vehicle when accompanied only by a person holding a valid Maryland or Virginia motor vehicle operator's permit, or a permit issued by another State. The elimination of the word "District" would allow the holder of a learner's permit to operate a motor vehicle when ac-

companied by the holder of a valid motor vehicle operator's permit issued by any other jurisdiction.

The Board of Commissioners of the District of Columbia recommend the enactment of this bill.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law in the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

DISTRICT OF COLUMBIA CODE 40–603 (j) (43 STAT. 1121)

(j) In addition to the fees and charges levied under other provisions of this Act, there is hereby levied and imposed an excise tax for the issuance of every original certificate of title for a motor vehicle or trailer in the District, and for the issuance of every subsequent certificate of title for a motor vehicle or trailer in the District in the case of sale or resale thereof, at the rate of 2 per centum of the fair market value of such motor vehicle or trailer at the time such certificate is issued, as determined by the Assessor of the District of Columbia or his duly authorized representatives. As used in this section, the term "original certificate of title" shall mean the first certificate of title issued by the District of Columbia for any particular motor vehicle or trailer. No certificate of title so issued shall be delivered or furnished to the person entitled thereto until the tax has been paid in full. The Assessor of the District of Columbia may require every applicant for a certificate of title to supply such information as he deems necessary as to the time of purchase, the purchase price, and other information relative to the determination of the fair market value of any motor vehicle or trailer for which a certificate of title is required and issued. The issuance of certificates of title for the following motor vehicles and trailers shall be exempt from the tax imposed by this subsection:

(1) Motor vehicles and trailers owned by the United States or the District of Columbia.

(2) Motor vehicles and trailers purchased or acquired by nonresidents prior to coming into the District of Columbia and establishing or maintaining residences in the District.

(3) Motor vehicles and trailers purchased or acquired by nonresidents prior to coming into the District of Columbia and establishing or maintaining a business or businesses in the District. Except as hereinafter provided, it is not intended to exempt from the tax the issuance of certificates of title for motor vehicles and trailers owned by nonresidents who are engaged in business in the District at the time of their purchase or acquisition of such vehicles and trailers and who use such vehicles and trailers in the conduct of their District business or businesses.

(4) Motor vehicles and trailers owned by a utility or public service company for use in furnishing a commodity or service: *Provided*, That the receipts from furnishing such commodity or service are subject to a gross-receipts or mileage tax in force in the District of Columbia

at the time of a certificate of title for any such vehicle or trailer is issued.

(5) *New motor vehicles acquired from dealers as replacements for defective vehicles purchased new not more than sixty days prior to the date of such replacement, except that if the fair market value of any replacement vehicle is greater than that of the vehicle which it replaces, then the tax imposed by this section shall be paid on such difference in value. If the fair market value of any replacement vehicle is less than that of the vehicle which it replaces, then the Commissioners or their designated agent are authorized to refund to the owner of the replacement vehicle an amount equal to the difference between the excise tax paid on the defective vehicle and the excise tax paid on the replacement vehicle.*

DISTRICT OF COLUMBIA CODE 40–301 (a) (2) (43 STAT. 1121)

(2) The Commissioners or their designated agent may, upon application and the payment of a fee of $1, issue a learner's permit, valid for a period of sixty days, to any applicant for a motor vehicle operator's permit, sixteen years of age or over, who has successfully passed all parts of the examination other than the driving demonstration test. Such permit shall entitle the permittee, while having such permit in his immediate possession, to operate a passenger motor vehicle, used solely for purposes of pleasure and not for compensation, when accompanied by the holder of a valid [District] motor vehicle operator's permit who is occupying a seat beside such permittee.

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Calendar No. 2610

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2570

AUTHORIZING THE BOARD OF COMMISSIONERS OF THE DISTRICT OF COLUMBIA TO PERMIT CERTAIN IMPROVEMENTS TO BUSINESS PROPERTY SITUATED IN THE DISTRICT OF COLUMBIA

JULY 13, 1956.—Ordered to be printed

Mr. BEALL, from the Committee on the District of Columbia, submitted the following

REPORT

[To accompany H. R. 4993]

The Committee on the District of Columbia, to whom was referred the bill (H. R. 4993) to authorize the Board of Commissioners of the District of Columbia to permit certain improvements to business property situated in the District of Columbia, after full consideration, report favorably thereon with amendments and recommend that the bill, as amended, do pass.

The amendments are as follows:

Page 1, line 6, after the word "on" insert "(1)".

Page 1, line 8, after the word "Northwest)" insert a comma and the following:

> and (2) square 2695, lot numbered 806 (east side of Sixteenth Street, between Arkansas Avenue and Upshur Street Northwest), both

Amend the title so as to read:

> A bill to authorize the Board of Commissioners of the District of Columbia to permit certain improvements to two business properties situated in the District of Columbia.

The purpose of this bill is to authorize the Commissioners of the District of Columbia to permit certain improvements to be made to two business properties situated in the District of Columbia. The properties are two gasoline service stations—one located at the southeast corner of Wisconsin and Massachusetts Avenues NW., and the other on the east side of 16th Street between Arkansas Avenue and Upshur Street NW.

Both of these stations were constructed prior to the adoption of orders and regulations made by the Zoning Commission under the

authority of the act approved March 1, 1920 (41 Stat. 500), as amended by the act approved June 20, 1938 (52 Stat. 797), and the use of the buildings and premises is lawful, since it is authorized by the provisions of section 7 of the act of Congress approved June 20, 1938.

Under existing law, the owners have the right to continue to operate the business which they have operated for about 30 years. However, because of the zoning law, it is impossible for them to make improvements to the building in which they do business. If this bill were enacted into law the owners of these buildings would be able to replace them with modern, up-to-date structures in keeping with other buildings in the neighborhood. These improvements would also bring additional revenue into the District of Columbia in the form of real-estate taxes.

O

Calendar No. 2611

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2571

PROVIDING PARTICULAR DESIGNATIONS FOR THE HIGHWAY BRIDGES OVER THE POTOMAC RIVER AT 14TH STREET IN THE DISTRICT OF COLUMBIA

JULY 13, 1956.—Ordered to be printed

Mr. BEALL, from the Committee on the District of Columbia, submitted the following

REPORT

[To accompany H. R. 10947]

The Committee on the District of Columbia, to whom was referred the bill (H. R. 10947) to provide particular designations for the highway bridges over the Potomac River at 14th Street in the District of Columbia, after full consideration, report favorably thereon with amendments and recommend that the bill, as amended, do pass.

The amendments are as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

That the highway bridge facilities crossing the Potomac River from the vicinity of Fourteenth Street in the District of Columbia to Virginia shall be known and designated hereafter as the "Rochambeau Memorial Bridges". Any law, regulation, map, document, record, or other paper of the United States or the District of Columbia in which such bridge facilities are referred to shall be held to refer to such bridge facilities as the "Rochambeau Memorial Bridges".

Amend the title so as to read:

A bill to designate the highway bridge facilities over the Potomac River at Fourteenth Street in the District of Columbia as the Rochambeau Memorial Bridges.

The purpose of this bill is to designate as the "Rochambeau Memorial Bridges" the highway bridge facilities crossing the Potomac River from the vicinity of 14th Street in the District of Columbia to Virginia. There are two highway bridges crossing the Potomac River in this vicinity—one carries traffic in one direction, and the other in the other direction, at approximately the same point—thus it would be confusing to give separate names to the two bridges.

This legislation is timed to coincide with the 175th anniversary of the year in which Lt. Gen. Jean-Baptiste Donatien de Vimeau Count de Rochambeau crossed the Potomac River near the site of the present bridges on his way to aid General Washington's forces at what was to be the Battle of Yorktown.

This bill, as amended, has the approval of the Board of Commissioners.

O

Calendar No. 2612

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2572

AMENDING THE DISTRICT OF COLUMBIA CODE RELATING TO THE TRANSFER OF ACTIONS FROM THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA TO THE MUNICIPAL COURT FOR THE DISTRICT OF COLUMBIA

JULY 13, 1956.—Ordered to be printed

Mr. MORSE, from the Committee on the District of Columbia, submitted the following

REPORT

[To accompany H. R. 8149]

The Committee on the District of Columbia, to whom was referred the bill (H. R. 8149) to amend the first sentence of paragraph (a) of section 756 of title 11 of the District of Columbia Code, 1951 edition (paragraph (a) of sec. 5 of the act of April 1, 1942, ch. 207, 56 Stat. 193), relating to the transfer of actions from the United States District Court for the District of Columbia to the municipal court for the District of Columbia, after full consideration, reports favorably thereon with amendments and recommends that the bill as amended do pass.

The amendments are as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

That the first sentence of section 5 (a) of the Act entitled "An Act to consolidate the police court of the District of Columbia and the municipal court of the District of Columbia, to be known as 'The Municipal Court for the District of Columbia', to create 'The Municipal Court of Appeals for the District of Columbia' and for other purposes", approved April 1, 1942 (D. C. Code, sec. 11–756), is amended to read as follows: "If, in any action, other than an action for equitable relief, pending on the effective date of this Act or thereafter commenced in the United States District Court for the District of Columbia, it shall appear to the satisfaction of the court at any time prior to trial thereof that the action will not justify a judgment in excess of $3,000, the court may certify such action to the municipal court for the District of Columbia for trial."

Amend the title so as to read:

A bill to amend the Act of April 1, 1942, so as to permit the transfer of an action from the United States District Court for the District of Columbia to the municipal court for the District of Columbia at any time prior to trial thereof, if it appears that such action will not justify a judgment in excess of $3,000.

The purpose of this bill is to amend the act of April 1, 1942, so as to permit the transfer of an action from the United States District Court for the District of Columbia to the municipal court for the District of Columbia at any time prior to trial thereof, if it appears that such action will not justify a judgment in excess of $3,000.

Existing law provides that if in any action, other than an action for equitable relief, commenced in the District Court of the United States for the District of Columbia, it shall appear to the satisfaction of the court at any pretrial hearing thereof that the action will not justify a judgment in excess of $1,000 the court may certify such action to the municipal court for the District of Columbia for trial.

This bill would amend the existing law so as to increase the limitation on the action which may be transferred to $3,000 and to permit transfer at any time prior to trial, instead of limiting transfers to cases involving not more than $1,000 and providing for transfer only at the pretrial hearing which is the stage immediately preceding the actual trial.

This legislation has the approval of the Board of Commissioners, the judges of the United States District Court for the District of Columbia, the Judicial Conference of the United States, and by the judges of the municipal court of the District of Columbia.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law in the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

[56 Stat. 193; 67 Stat. 108]

SEC. 5. (a) If, in any action, other than an action for equitable relief, pending on the effective date of this Act or thereafter commenced in the [District Court of the United States] *United States District Court* for the District of Columbia, it shall appear to the satisfaction of the court at any [pretrial hearing] *time prior to trial* thereof that the action will not justify a judgment in excess of [$1,000] *$3,000*, the court may certify such action to The Municipal Court for the District of Columbia for trial. The pleadings in such action, together with a copy of the docket entries and of any orders theretofore entered therein, shall be sent to the clerk of the said Municipal Court, together with the deposit for costs, and the case shall be called for trial in that court promptly thereafter; and shall thereafter be treated as though it had been filed originally in the said Municipal Court, except that the jurisdiction of that court shall extend to the amount claimed in such action, even though it exceed the sum of $3,000.

(b) The Municipal Court for the District of Columbia shall have the power and is hereby directed to prescribe, by rules, the forms of process, writs, pleadings and motions, and practice and procedure in such court, to provide for the efficient administration of justice, and the same shall conform as nearly as may be practicable to the forms, practice, and procedure now obtaining under the Federal Rules of Civil Procedure. Said rules shall not abridge, enlarge, or modify the

substantive rights of any litigant. After September 16, 1938, all laws in conflict therewith shall be of no further force or effect: *Provided, however,* That nothing in this section shall be construed to require any change in the existing rules, procedure, or practice now in effect in the small claims and conciliation branch of the presently constituted Municipal Court of the District of Columbia; nor shall this subchapter and subchapter III or any section thereof in any way repeal or modify the provisions of sections 11–801 to 11–820, establishing said small claims and conciliation branch.

(c) The Municipal Court for the District of Columbia shall have the power to compel the attendance of witnesses from any part of the District of Columbia by attachment, and any judge thereof shall have the power in any case or proceeding whether civil or criminal to punish for disobedience of any order, or contempt committed in the presence of the Court by a fine not exceeding $50 or imprisonment not exceeding thirty days.

O

Calendar No. 2613

84TH CONGRESS, 2d Session } SENATE { REPORT No. 2573

FIXING THE EFFECTIVE DATE OF WAGE BOARD INCREASES

JULY 13, 1956.—Ordered to be printed

Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service, submitted the following

REPORT

[To accompany S. 3465]

The Committee on Post Office and Civil Service, to whom was referred the bill (S. 3465) relating to effective dates of increases in compensation granted to wage-board employees, having considered the same, report favorably thereon with amendments, and recommend that the bill, as amended, do pass.

AMENDMENTS

The committee amendments are as follows:

(1) Page 1, line 8, following the word "rates", insert "under authority of section 202 (7) of the Classification Act of 1949, as amended";

(2) Page 1, line 9, strike out "as of" and insert "not later than";

(3) Page 1, line 10, following the word "after", insert "the thirtieth day following";

(4) Page 2, line 10, following the word "after", insert "the thirtieth day following"; and

(5) Page 2, line 18, following the word "after" insert "the thirtieth day following".

PURPOSE OF AMENDMENTS

The bill as introduced would have required that whenever an increase in compensation is granted wage-board employees in accordance with local prevailing rates, such increase be made effective as of the beginning of the first pay period following the date on which the survey which determined the new rate was ordered to be made.

The committee amendments fix the effective day of any such increase not later than the beginning of the first pay period which

begins after the lapse of 30 days from the date on which the survey which determines the new rate was ordered to be made.

STATEMENT

Section 202 (b) of the Classification Act of 1949, as amended, provides that employees in recognized trades or crafts, or other skilled mechanical crafts, or in unskilled, semiskilled, or skilled manual-labor occupations * * * shall have their compensation fixed and adjusted from time to time by their agencies in accordance with prevailing rates in private industry.

During the hearings held on the bill, it was established that agencies often take 3 months or longer to complete their surveys of local industry wage rates. After collection of the data, it is frequently another month or more before the data is studied and the new schedule of rates prepared and made effective. The net result is that although the Government is presumed to be paying its blue-collar workers in accordance with prevailing rates in private industry, there is a lag of from 3 to 5 months before increases in the pay of employees in industry are reflected in the pay of similar employees who are employed by the Government.

While a good case was made for enactment of the bill as introduced, a similarly good case was made by the agencies against enactment of a measure which would require retroactive pay in every instance. This would most certainly be the case if the pay adjustments were required to be made effective on the date the survey is ordered to be made, for there is no possible way to avoid the taking of a reasonable period of time in which to conduct the survey, prepare the new wage schedule, and so forth.

In full appreciation of both sides of the issue, the committee believes that the bill, as amended, is reasonable and workable. It will not deny Government employees justified increases for an unreasonable period of time. On the other hand, it allows the agencies a reasonable period of time in which to conduct adequate wage surveys. The committee believes that if the agencies do their job in a well-planned and expeditious manner, there will be little if any occasion for the payment of retroactive wage increases. The committee recognizes the problems inherent in retroactive pay adjustments, but it believes that the bill, as amended, is amply liberal from the standpoint of time allowed the agencies to conduct wage surveys.

CHANGES IN EXISTING LAW

Compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate has been omitted inasmuch as it is necessary, in the opinion of the committee, to dispense with the requirements of such subsection to expedite the business of the Senate.

O

Calendar No. 2614

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2574

CONVEYANCE TO HOME DEMONSTRATION CLUB OF RENA LARA, MISS.

JULY 13, 1956.—Ordered to be printed

Mr. EASTLAND, from the Committee on Agriculture and Forestry, submitted the following

REPORT

[To accompany S. J. Res. 179]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. J. Res. 179) to authorize and direct the Secretary of Agriculture to quitclaim certain property in Coahoma County, Miss., to the Home Demonstration Club of Rena Lara, Miss., Inc., having considered the same, report thereon with a recommendation that it do pass without amendment.

Senate Joint Resolution 179 directs the conveyance of 3.17 acres in Coahoma County, Miss., together with the building thereon, to the Home Demonstration Club of Rena Lara, Miss., Inc. The building consists of a community house built in connection with one of the resettlement projects liquidated by the Farmers' Home Administration. It is in dilapidated condition and has been occupied by squatters. The value of the property is less than $1,000.

The property was conveyed June 8, 1954, to the Coahoma County School District, subject to reversion should it cease to be used for school purposes. On January 3, 1956, this reversionary right was exercised, the property having ceased to be used for school purposes.

The Home Demonstration Club, an organization sponsored by the Home Demonstration branch of the Extension Service, desires the property for use for the purpose for which it was originally intended, a community building. It is intended that it will be maintained for Boy Scouts, 4–H boys and girls, and general community recreation. The report of the Department of Agriculture is attached.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., June 28, 1956.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry,
United States Senate.

DEAR SENATOR ELLENDER: This is in reply to your request of June 8, 1956, for a report from this Department on Senate Joint Resolution 179, joint resolution to authorize and direct the Secretary of Agriculture to quitclaim certain property in Coahoma County, Miss., to the Home Demonstration Club of Rena Lara, Miss., Inc. This property consists of approximately 3.17 acres and the building thereon.

We have no objection to enactment of the proposed legislation.

When the Rena Lara resettlement project was liquidated in the 1940's, the farms were sold to individuals and the 3.17-acre tract with the building which had been constructed for educational and community purposes was dedicated to the Coahoma County School District for school and community purposes. The quitclaim deed to the Coahoma County School District contained a reversionary right which the Government has recently exercised because the property is no longer being used for the purposes for which it was granted.

The value of the property is less than $1,000. The Government would not receive any consideration for the conveyance of the property, neither would the conveyance require the expenditure of Federal funds or affect adversely any program of the Department.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

O

Calendar No. 2616

84TH CONGRESS, 2d Session } SENATE { REPORT No. 2576

EXTENSION OF SPECIAL SCHOOL MILK PROGRAM

JULY 13, 1956.—Ordered to be printed

Mr. HUMPHREY of Minnesota, from the Committee on Agriculture and Forestry, submitted the following

REPORT

[To accompany H. R. 11375]

The Committee on Agriculture and Forestry, to whom was referred the bill (H. R. 11375) to amend the Agricultural Act of 1949, as amended, to further extend the special school milk program to certain institutions for the care and training of children, having considered the same, report thereon with a recommendation that it do pass without amendment.

The special school milk program was extended by Public Law 465 of this Congress (H. R. 8320) to nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of "underprivileged" children on a "public welfare or charitable basis". This bill would extend the program to such institutions, even though not devoted to the underprivileged and not operating on a public welfare or charitable basis. The bill is fully explained on the attached report of the House Committee on Agriculture.

[H. Rept. 2472, 84th Cong., 2d sess.]

The Committee on Agriculture, to whom was referred the bill (H. R. 11375) to amend the Agricultural Act of 1949, as amended, to further extend the special school milk program to certain institutions for the care and training of children, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

Public Law 465, 84th Congress (H. R. 8320) extended the special school milk program for 2 additional years and also expanded the scope of the program to include "such nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions as are devoted to the care and training of underprivileged children on a special welfare or charitable basis."

The amendment referred to was added on the floor of the Senate and was accepted by the House without a conference. In undertaking to put the new provision into effect, it was found that the limitation to institutions serving "underprivileged children on a special welfare or charitable basis" would prevent the program from reaching most of the summer institutions for children operated in this country.

The special school milk program is not a charity program. It is a program for the utilization of surplus fluid milk by making it available to children in schools and similar institutions. The method of distribution is for the Department of Agriculture to pay part of the cost of fluid milk over and above that normally consumed by the school or institution, so that milk may be made available to children at a reduced price, thus stimulating consumption.

The bill reported herewith removes from the provision quoted above reference to "underprivileged" children and service on a "public welfare or charitable basis." This will make the benefits of the program available to most summer camps, nursery schools, child-care centers, settlement houses and similar institutions which are operated on a nonprofit basis and which have the proper standing with their State educational or other agencies to qualify for the program.

The committee reemphasizes that the basic objective of the special school milk program is to expand the consumption of milk by children of school age and that in administering the program the Department of Agriculture should limit assistance under the program to milk which is in addition to that normally consumed. In applying the program to new camps or similar eligible institutions, a reasonable base should be established and only milk consumed over and above such a base should be considered eligible for inclusion in the program.

In applying the program to the institutions listed in the bill, it is anticipated that the Department of Agriculture will require a high degree of cooperation from the States in the administration of the program.

The bill is supported by major farm organizations, by the Dairy Industry Committee, the Milk Industry Foundation, the National Milk Producers Federation, and other interested organizations. Following is the report of the Department of Agriculture:

UNITED STATES DEPARTMENT OF AGRICULTURE,
Washington, D. C., June 4, 1956.

Hon. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR CONGRESSMAN COOLEY: This is in response to your letter of May 23 requesting this Department's views on H. R. 11375, a bill to amend the Agricultural Act of 1949, as amended, to further extend the special school milk program to certain institutions for the care and training of children.

The special school milk program which is provided under the Agricultural Act of 1949, as amended, was extended for an additional 2 years by Public Law 465, approved April 2, 1956. Public Law 465 also extended the special school milk program to "such nonprofit nursery schools, child-care centers, settlement houses, summer camps and similar nonprofit institutions as are devoted to the care and training of underprivileged children on a public welfare or charitable basis." H. R. 11375 would provide that these listed types of institutions be

nonprofit; it does not require that they be devoted to underprivileged children.

This Department does not object to the enactment of H. R. 11375, but desires to call attention to administrative problems involved.

Under the existing provisions of law, eligibility must be limited to institutions and programs (or specific units of a program) whose whole or chief purpose is the care and training of economically underprivileged children. Therefore, such programs as, for example, a Boy Scout or 4–H summer camp or a Boys Club, are not eligible for participation under the special school milk program unless it can be demonstrated that almost all of the children served by the particular camp or club are economically underprivileged.

Since under Public Law 465 Congress has expressed its wish to extend the special school milk program to outlets other than schools, there would be merit in establishing eligibility standards that would permit the extended program to have a greater impact upon the market for fluid milk than is possible under the existing provisions of this law.

Such an expansion, however, will pose additional administrative problems to insure that the special school milk program operates further to increase milk consumption. Because the majority of the child-care institutions that would be made eligible under H. R. 11375 will have a history of milk service to children, the system of reimbursement would necessarily have to be directed toward assisting in the service of additional milk rather than merely subsidizing the cost of the regular milk service. We wish to point out, however, that even if H. R. 11375 were to be immediately enacted, it would be too late for this Department and the State agencies fully to gear up to such an expansion in time for this summer's camping program, which will be starting by mid-June.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

E. L. PETERSON,
Acting Secretary.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

AGRICULTURAL ACT OF 1949, AS AMENDED

* * * * * * *

TITLE II—DESIGNATED NONBASIC AGRICULTURAL COMMODITIES

SEC. 201. * * *

(c) The price of whole milk, butterfat, and the products of such commodities, respectively, shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through

loans on, or purchases of, milk and the products of milk and butterfat, and for the period ending March 31, 1956, surplus stocks of dairy products owned by the Commodity Credit Corporation may be disposed of by any methods determined necessary by the Secretary. For the perio l beginning September 1, 1954, and ending June 30, 1955, not to exceed $50,000,000, and for the fiscal year ending June 30, 1956, not to exceed $60,000,000, and for each of the two fiscal years in the period beginning July 1, 1956, and ending June 30, 1958, not to exceed $75,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children in (1) nonprofit schools of high-school grade and under; and (2) [such] nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions [as are] devoted to the care and training of [underprivileged] children [on a public welfare or charitable basis].

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Calendar No. 2617

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2577

MUSCATINE BRIDGE COMMISSION

JULY 13, 1956.—Ordered to be printed

Mr. CHAVEZ, from the Committee on Public Works, submitted the following

REPORT

[To accompany H. R. 11010]

The Committee on Public Works, to which was referred the bill (H. R. 11010) creating the Muscatine Bridge Commission and authorizing said Commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near the city of Muscatine, Iowa, and the town of Drury, Ill., having considered the same, report favorably thereon with an amendment and recommend that the bill, as amended, do pass.

The amendment is as follows: On page 21, line 1, strike out "the bonds issued in connection therewith and".

PURPOSE

The purpose of H. R. 11010 is to create the Muscatine Bridge Commission and authorize said Commission and its successors and assigns, to acquire by purchase or condemnation the existing interstate toll bridge across the Mississippi River at Muscatine, Iowa, and to construct, maintain, and operate a bridge or bridges and approaches thereto, between that point and the town of Drury, Rock Island County, Ill., at points suitable to navigation. The Commission would be authorized to fix and charge tolls for transit over the existing bridge and any bridge to be constructed, in accordance with the provisions of the General Bridge Act approved March 23, 1906, as amended.

The Commission would be authorized to provide for the payment of the cost of the bridge acquired or the bridge or bridges constructed or reconstructed by the issuance of bonds which would be redeemed from tolls and other revenues of the bridge or bridges within a 30-year period. The Commission would also be authorized to issue refunding bonds to mature within 30 years from the date thereof.

When paid for, the bridge or bridges would be conveyed to the States of Illinois and Iowa to be operated free of tolls. In the event appropriate agencies of the said States shall not be authorized to accept or shall not accept the same under such conditions, then the bridges shall continue to be owned, maintained, operated, and repaired by the Commission as toll bridges, the tolls being reduced so as to provide only such moneys as may be necessary to pay maintenance, operation expense, and repairs until such time as the appropriate agencies shall be authorized to accept such bridges under the conditions that the bridges be toll free.

GENERAL STATEMENT

Muscatine is a city of about 20,000 population. At the time H. R. 11010 was introduced there was one highway bridge crossing the Mississippi River at Muscatine. On June 1, 1956, this 160-foot span collapsed following a traffic mishap so that there is no bridge crossing the Mississippi at this point at the present time. The nearest highway bridge over the Mississippi River upstream from Muscatine is the Centennial Bridge, 29 miles east or northeast, owned by the city of Rock Island and located between Rock Island, Ill., and Davenport, Iowa. It is a publicly owned toll bridge built under an act of Congress approved March 18, 1938. Downstream from Muscatine the nearest Mississippi River Bridge is the McArthur Bridge at Burlington, Iowa, owned by the city of Burlington, 49 miles south of Muscatine. It is a publicly owned toll bridge built about 1914 and recently reconstructed and strengthened.

Local witnesses testified that the bridge which collapsed on June 1 was built in 1890 and that they desire to create the Commission as provided in H. R. 11010 for the purpose of replacing the bridge at the earliest possible date in the interest of public safety.

The Muscatine Bridge is located on State Road No. 92, which is a part of the Federal-aid primary road system. The road starts at Mendota, Ill., and extends thence, westerly, about 670 miles in Illinois across Iowa and into Nebraska. In addition to serving the interstate traffic on Road No. 92, the Muscatine Bridge serves the interstate traffic needs of a large local area in Iowa, in and around Muscatine, and in Illinois, opposite Muscatine, and in the past provided a desirable by pass around the traffic congestion in the Rock Island-Davenport area.

In enacting the General Bridge Act of 1946 (60 Stat. 812), as amended, Congress granted its blanket consent to the construction of bridges over navigable waters of the United States, thus making it unnecessary to enact special authorizing legislation which had theretofore been required with respect to bridges of the kind which would be authorized under H. R. 11010. However, inasmuch as the act authorizing the construction of the existing bridge was approved July 11, 1889, prior to enactment of the Legislative Reorganization Act of 1946, containing the General Bridge Act (title 5) the committee considers it appropriate to approve H. R. 11010. Also, the legislation appears to be necessary as a prerequisite to the sale of bonds to raise the necessary funds to cover the cost of the project.

The committee has amended H. R. 11010 to provide that the income from the bonds are subject to all Federal, State, municipal, local, and income taxation.

Legislation similar to that proposed in H. R. 11010 has been previously enacted by Congress to create bridge commissions with authority to construct or to enter into compacts or agreements for the construction of interstate bridges. The City of Dubuque Bridge Commission, created by act of Congress in 1939, purchased the south bridge at Dubuque, built a new bridge known as the Julien Dubuque Bridge, dismantled and removed the old bridge, paid off the bonds issued to buy the old bridge and build the new bridge, freed the new bridge of tolls on December 31, 1954, and gave the new bridge to the two States, Illinois and Iowa. The City of Clinton Bridge Commission, created by act of Congress approved December 21, 1944, purchased both Mississippi River bridges at Clinton, removed the old south bridge at Clinton, is operating the old north bridge and collecting tolls therefrom, has let contracts for the construction of a new south bridge, and expects to have the new south bridge completed and open to traffic on June 30, 1956. The Clinton Commission expects to pay off some of its bonds on July 1, 1957.

It can thus be seen that these bridge commissions have been very successful in their operation. The 1946 Bridge Act makes specific provision in section 506 thereof for publicly owned interstate toll bridges, requiring that the costs of the bridge be paid within 30 years from the completion thereof and that it thereafter be operated free of tolls. H. R. 11010 conforms with these provisions. Traffic across most of the bridges has increased to such an extent that in many cases the bridges are far ahead of schedule on repayments.

The committee realizes the present emergency situation that exist with respect to the Muscatine bridge, and the hardship imposed on traffic that has to detour to existing bridges, thereby further congesting traffic conditions. The bill has been amended to meet objections to other similar bills, with respect to certain tax matters.

The committee recommends early enactment of this legislation.

The expenditure of Federal funds is not involved in this legislation.

O